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METROPOLITAN TORONTO AND REGION TRANSPORTATION STUDY

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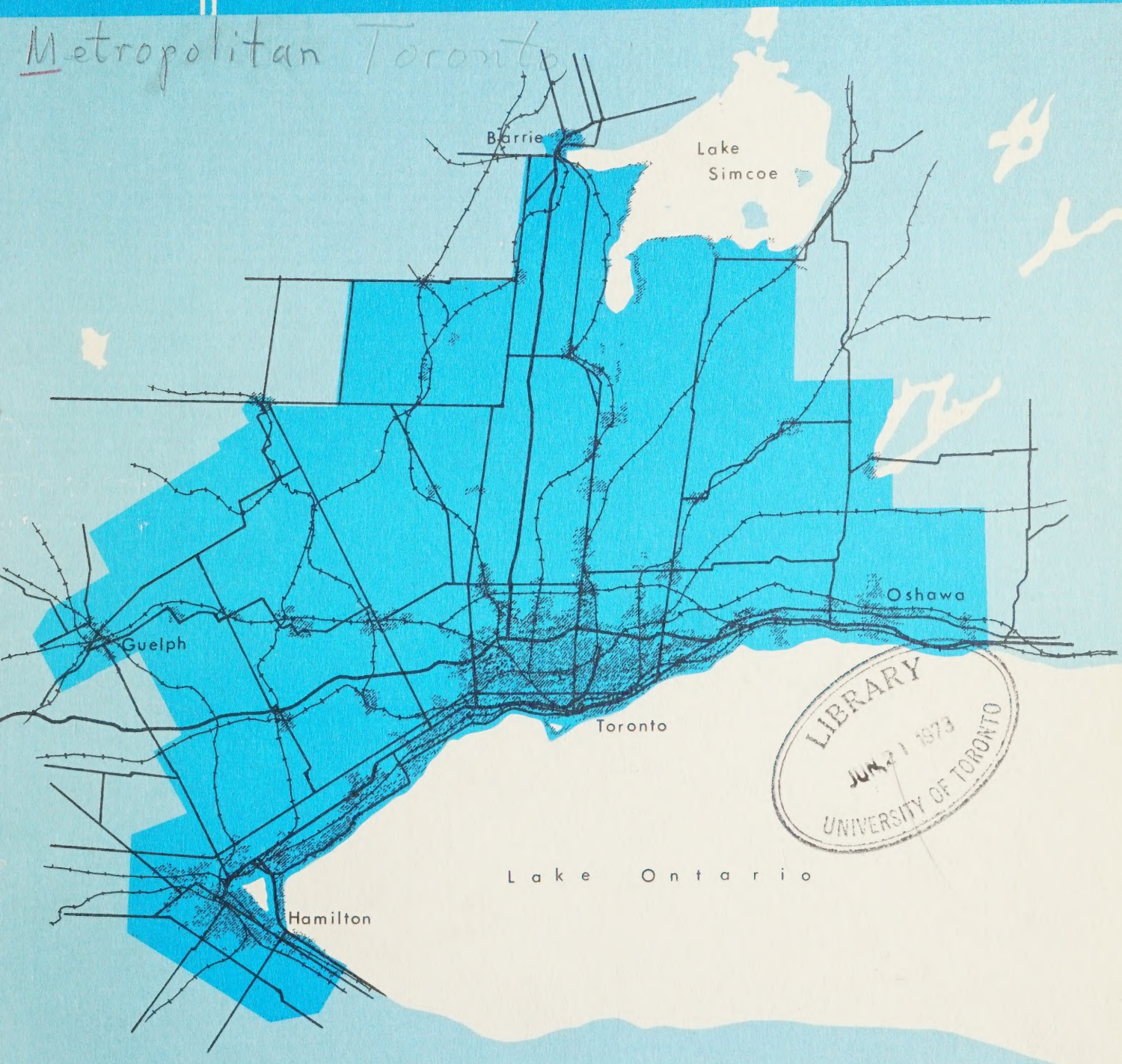

MARCH 1966

[G-16] ADMINISTRATIVE AND FINANCIAL STRUCTURE OF TRANSPORTATION IN THE STUDY AREA

METROPOLITAN TORONTO AND REGION TRANSPORTATION STUDY

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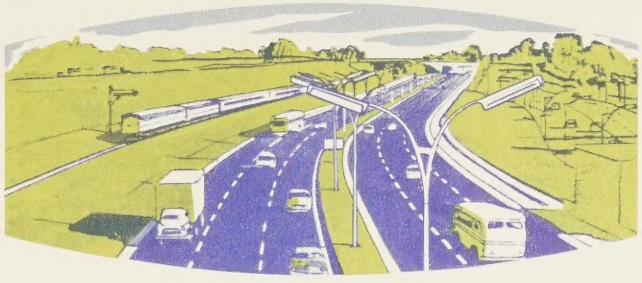

The Honourable C.S. MacNaughton,
Minister of Highways,
Chairman, Technical Advisory Committee.

Dear Mr. MacNaughton:

I am pleased to submit a report prepared by F.H. Finnis working with the Finance and Administration Subcommittee of the Technical Advisory Committee of this Study. This report records the existing structure for managing and financing the transportation systems in the Study Area.

In the process of compiling this information Mr. Finnis and the staff received extensive assistance from several departments of the Provincial Government, the Municipality of Metropolitan Toronto and the various agencies participating in the Study.

It is expected that this report will provide reference information in the investigation of transportation programs and policies to be undertaken by the regional transportation study.

Respectfully submitted.

Yours very truly,

R.D. Cowley
Chairman, Technical Advisory Committee.

METROPOLITAN TORONTO AND REGION TRANSPORTATION STUDY

Administrative and Financial Structure of Transportation in the Study Area

March 1966.

Frederic H. Finnis, M.B.E.
Local Government Consultant.

I am greatly indebted to all those departments and agencies of the Governments of Canada and Ontario which have given so willingly of their time and especially to the Financial Research Branch of the Ontario Department of Economics for its most helpful cooperation in providing statistical information. In particular, I appreciate the help provided by the staff and committee members of the Metropolitan Toronto and Region Transportation Study.

Frederic H. Finnis

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Map 1

CHAPTER 1

The Study Area

This study describes the existing organization, administration, planning and financing of public transportation within the Study Area. The purpose of examining the present structure is to determine its suitability to meet transportation needs both now and in the near future and, if changes appear necessary, to help formulate recommendations to provide a more effective structure. No attempt has been made in this report to evaluate the advantages or disadvantages of the present arrangements. Recommendations based on such an evaluation will be the subject of a later report.

Area and Population

The Study Area, shown on Map 1, covers about 3,188 square miles.[1/] The bounds extend from Oshawa and Bowmanville in the east to Hamilton and Saltfleet Township in the west and from Guelph and Barrie in the north to the shores of Lake Ontario in the South.

Metropolitan Toronto, occupying 241 square miles, or about 7½ percent of the total area, is located in the southern central section. Nine counties in whole or in part, together with the Municipality of Metropolitan Toronto, make up the Study Area including, with the area municipalities of Metropolitan Toronto, five cities, 24 towns, 16 villages and 40 townships. Of the latter, five are included in part only.

1/ Estimated from Population, Households, Employment, Community Planning Branch, Ontario Department of Municipal Affairs.

With a total estimated population in 1964 of 2,730,000 [2/] the Study Area includes approximately 41 percent of the total population of Ontario and contains within its boundaries six municipalities which rank among the first eight in the Province in terms of population size, as follows:

Order of Rank	Municipality	Population	Percent of Area Population
1	City of Toronto	636,239	23.22
2	Township of North York	334,887	12.22
4	City of Hamilton	275,670	10.06
5	Township of Scarborough	251,675	9.19
6	Township of Etobicoke	194,099	7.08
8	Township of York	127,370	4.65
			66.42

2/ Estimated from 1965 Municipal Directory, Ontario Department of Municipal Affairs.

The Ontario municipalities, outside the Area, which occupy third and seventh places are the Cities of Ottawa and London respectively. Approximately two-thirds of the population of the Study Area is contained within the six urban areas listed above.

Table I-1 lists all municipalities in the Study Area with actual populations for 1954 and 1964, and also 1964 acreages. In 1954 the population of the Study Area was 1,887,069 with the Metropolitan Toronto Area accounting for two-thirds of this total or 1,250,773. By 1964 Metro's proportion of the population had declined slightly to above 63 percent with a population of 1,717,875 out of a total of 2,739,996. Between 1954 and 1964, population increased for the whole Study Area by 45.2 percent while growth in Metropolitan Toronto for the same period was 37.3 percent, and in the remainder of the area 60.7 percent.

Population has,therefore, increased at a faster rate in those parts of the Study Area which surround Metro, with the greatest rate of growth occurring within the geographic boundaries of the townships immediately adjacent, namely the Townships of Toronto, Vaughan, Markham and Pickering. In this Metropolitan Toronto fringe area, population almost doubled between 1954 and 1964 rising from 100,000 to 190,000.

Within the boundaries of Metropolitan Toronto itself, however, a phenomenal population growth has been concentrated in the three outer suburbs which border on the townships mentioned above. During Metro's first ten years population increases in the outer suburbs ranged from 153 percent in Etobicoke to 205 percent in Scarborough. 3/ By way of comparison, population growth from 1954 to 1964 for the whole of Canada was 25.8 percent and for the Province of Ontario 28.8 percent.

3/ Report of the Royal Commission on Metropolitan Toronto, H. Carl Goldenberg, 1965.

Population growth has been accompanied by increased motor vehicle registrations. In 1953, 579,000 motor vehicles were registered in the Study Area, equal to 42 percent of all vehicles registered in Ontario and representing one vehicle for 3.40 persons. By 1964 the number of registrations in the Study Area had risen to 1,097,000, or 46 percent of all Ontario registrations, equivalent to 2.60 persons per motor vehicle. Absolute numbers of registrations in the Area increased over the period by 89 percent compared with 69 percent in the Province as a whole. 4/

4/ Department of Transport, Annual Reports.

TABLE I - 1

LOCAL AUTHORITIES IN THE STUDY AREA

1964 acreage, 1954 and 1964 population

Municipality Cities		Nearest City in Study Area	1964 Acreage (a)	Population 1954 (b)	1964 (c)
Barrie	(g)	-	5,715	16,002	23,502
Guelph	(g)	-	6,911	30,950	41,993
Hamilton	(g)	-	30,231	222,902	275,670
Oshawa		-	10,433	46,051	69,822
Towns					
Acton	(g)	Guelph	1,178	2,903	4,295
Ajax		Oshawa	2,878 (d)	5,511	8,523
Alliston	(g)	Barrie	815	2,846	3,079
Aurora	(g)	Toronto	1,469	3,636	9,875
Bowmanville	(g)	Oshawa	3,515	6,101	7,872
Bradford		Barrie	1,700	1,935	2,379
Brampton	(g)	Toronto	5,599	11,165	29,634
Burlington	(g)	Hamilton	54,713	8,064	54,864
Dundas	(g)	Hamilton	3,630	8,295	14,185
Georgetown	(g)	Guelph	3,205	4,110	11,374
Milton	(g)	Toronto & Hamilton	1,045	3,215	6,165
Newmarket	(g)	Toronto	1,848	6,067	8,493
Oakville		Toronto & Hamilton	69,126	9,102	48,523
Orangeville		Guelph	1,765	3,564	5,106
Port Credit	(g)	Toronto	666 (d)	5,129	7,301
Richmond Hill	(g)	Toronto	1,617 (d)	3,510	19,217
Stoney Creek		Hamilton	538	3,158	6,753
Streetsville	(g)	Toronto	1,069 (d)	1,822	5,697
Uxbridge		Oshawa	512 (d)	2,007	2,549
Whitby		Oshawa	4,205	7,100	14,243
Villages					
Beeton		Barrie	475	634	929
Bolton		Toronto	675	1,025	2,075
Caledon East		Toronto	400	-	663
Cookstown		Barrie	350 (d)	-	676
Erin		Guelph	525 (d)	794	1,133

TABLE I - 1 Cont'd.

Municipality	Nearest City in Study Area	1964 Acreage (a)	Population 1954 (b)	Population 1964 (c)
Markham (g)	Toronto	1,901 (d)	2,193	5,702
Pickering	Toronto	478 (d)	987	1,860
Port Perry	Oshawa	718	2,058	2,371
Stouffville (g)	Oshawa	1,556 (d)	2,089	3,656
Sutton	Barrie	625	1,145	1,423
Tottenham	Toronto & Barrie	400 (d)	678	780
Waterdown	Hamilton	400	1,578	1,898
Woodbridge	Toronto	642 (d)	2,013	2,481
Townships				
Adjala	Barrie	44,885	1,412	1,986
Albion	Toronto	55,675	2,534	3,400
Ancaster (part) (g)	Hamilton	17,115	6,389 (e)	12,215
Beverley (part)	Hamilton	5,584	564 (f)	652
Binbrook (part)	Hamilton	11,375	897 (f)	1,623
Caledon	Guelph	68,385	3,638	3,929
Chinguacousy (g)	Toronto	77,235	5,298	11,691
Darlington	Oshawa	70,815	6,845	10,045
Eramosa	Guelph	44,655	2,662	3,037
Erin	Guelph	70,570 (d)	2,694	3,376
Esquesing (g)	Guelph	64,865	4,766	6,885
Flamborough East (g)	Hamilton	27,305	9,860	4,733
Flamborough West (part) (g)	Hamilton	20,117	3,594 (e)	5,827
Georgina	Barrie	34,300	1,914	2,462
Glanford (part) (g)	Hamilton	9,710	2,042 (e)	4,124
Guelph (g)	Guelph	32,710	4,028	5,255
Gwillimbury East	Barrie	63,070	4,825	11,906
Gwillimbury North	Barrie	32,300	3,156	5,802
Gwillimbury West	Barrie	45,440	2,483	2,450
Innisfil	Barrie	70,345	6,302	7,205

TABLE I - 1 Cont'd.

Municipality	Nearest City in Study Area	1964 Acreage (a)	Population 1954 (b)	Population 1964 (c)
King (g)	Toronto	91,200	8,366	12,817
Markham (g)	Toronto	64,842 (d)	11,607	15,651
Nassagaweya	Guelph	45,770	2,076	2,594
Pickering	Oshawa	70,712 (d)	12,389	24,363
Reach	Oshawa	62,875	2,846	3,157
Saltfleet (g)	Hamilton	23,660	12,996	17,276
Scott	Oshawa	50,360	1,790	1,879
Tecumseth (g)	Barrie	66,815	2,753	2,997
Toronto (g)	Toronto	69,272 (d)	40,016	76,066
Toronto Gore	Toronto	15,110 (d)	859	1,177
Uxbridge	Oshawa	53,543 (d)	2,294	2,816
Vaughan (g)	Toronto	65,092 (d)	12,245	17,895
Whitby	Oshawa	32,310	3,429	7,204
Whitby East	Oshawa	21,255	1,798	2,995
Whitchurch (g)	Toronto	59,660	6,021	7,656
Study Area Total excluding Metro Toronto		1,882,460	627,727	1,011,907
Toronto	-	26,003	682,415	636,239
Leaside	Toronto	1,476 (d)	16,873	18,783
Mimico	Toronto	500 (d)	12,351	18,584
New Toronto	Toronto	771 (d)	9,817	11,668
Weston	Toronto	622 (d)	8,569	10,214
Forest Hill	Toronto	948 (d)	18,373	22,494
Long Branch	Toronto	582 (d)	9,282	11,658
Swansea	Toronto	682 (d)	8,718	9,322
Etobicoke	Toronto	17,334 (d)	83,169	194,099
Scarborough	Toronto	45,012 (d)	95,706	251,675
York	Toronto	5,050 (d)	105,995	127,370
York East	Toronto	3,773 (d)	68,739	70,882
York North	Toronto	44,439 (d)	130,766	334,887
Metropolitan Toronto	-	-	-	-
Total for Metro Toronto		157,192	1,250,773	1,717,875

TABLE I - 1 Cont'd.

Municipality	Nearest City in Study Area	1964 Acreage (a)	Population 1954 (b)	1964 (c)
Study Area Total including Metro Toronto		2,039,652	1,878,500	2,729,782

(a) Source - Population, Households, Employment. Community Planning Branch, Ontario Department of Municipal Affairs.

(b) Source - 1955 Municipal Directory.

(c) Source - 1965 Municipal Directory.

(d) Source - 1963 Municipal Directory.

(e) Method of estimation: The whole of the population increase is assumed to have taken place in the portion inside the MTARTS Study Area. 1954 population for the portion in the study area was obtained by subtracting the 1964 population figure for the study area portion from the 1964 figure for the population of the whole township.

(f) Method of estimation: The population increase is assumed to have been uniform across the whole township. Accordingly, the 1954 population was calculated by finding what fraction of the 1964 population for the whole township is to be found in the study area portion, and then multiplying the 1954 population figure for the whole township by that fraction.

(g) Gains or losses due to annexations affect the comparison between 1954 and 1964 population and acreage figures.

Transportation Facilities

Map 2 illustrates the railway system and the network of provincial, county, metropolitan and local roads in the Study Area. There are seven harbours situated at Toronto, Hamilton, Oshawa, Whitby, Oakville, Clarkson and Port Credit, the first three of which are operated by harbour commissions and the last four by the Federal Department of Transport. Also within the Area are 12 airports and one heliport. Four of the airports, located at Brampton, Guelph, Orangeville and Lake Simcoe (Mount Albert) and the heliport at King City are privately owned; five of them at Oshawa, Mount Hope, Markham, Buttonville and Maple are owned and operated by municipalities; one at Downsview is an R.C.A.F. base; the Toronto International Airport at Malton is owned and operated by the Federal Department of Transport with a satelite airport, located on Toronto Island, which is operated by the Toronto Harbour Commission.

Roads and Streets

Table I-2 shows that there are 10,500 miles of roads in the Area under the jurisdictions of the Province, the Municipality of Metropolitan Toronto, counties, urban municipalities and rural townships. In 1963 there were 774 miles of King's Highway in the Study Area under the jurisdiction of the Province amounting to about 8 percent of the total mileage of King's Highways in Ontario, excluding provincial secondary highways. Within the Study Area, King's Highways and county roads each represented a little over 7 percent of all roads and streets, with Metropolitan Toronto having jurisdiction over 3.4 percent of all roads. Township roads had by far the largest mileage with more than 55 percent of the total, while urban roads including connecting links, amounted to 24 percent.

Although Metropolitan Toronto had jurisdiction over only 3.4 percent of the roads in the Study Area in 1963, the 13 area municipalities within Metro were responsible for a further 2,287 miles of roads or 21.8 percent. Thus, the Metropolitan Toronto Area is responsible for about one quarter of the mileage of all roads in the Study Area.


LAKE SIMCOE
LAKE ONTARIO
METROPOLITAN TORONTO AND REGION
TRANSPORTATION STUDY
LEGEND
Freeways
Kings Highways
County and Metro Roads
Township Roads
Municipal Boundary
Township Boundary
County Boundary
Study Boundary
SCALE

Map 2

Public Transit Systems

Four of the urban centres within the Study Area, Metropolitan Toronto, Hamilton, Oshawa and Guelph operate public passenger transit systems while private operators have franchises in some of the smaller centres. In addition a number of companies such as Grey Coach Lines, Canada Coach Lines, Trailways and Colonial operate long range bus services some of which also serve commuters to and from Toronto, Hamilton and other centres.

TABLE I - 2

ROADS WITHIN THE STUDY AREA - 1963

Jurisdiction	Classification	Mileage	Percent of Total
Province of Ontario	King's Highways	774	7.4
Counties	County Roads	760	7.2
Metropolitan Toronto	Metropolitan Roads	356	3.4
Townships (a)	Township Roads	5786	55.1
Cities, Towns and Villages (b)	Local Roads	2521	24.0
Other	Other	291	2.9
Total		10,488	100.0

(a) Including 1683 miles in the urban townships within the boundaries of Metropolitan Toronto.

(b) Includes a small mileage of connecting links and 604 miles of roads in the cities, towns and villages of Metropolitan Toronto.

Source: Ontario Department of Highways, Municipal Roads Division.

The largest of the publicly operated systems is the Toronto Transit Commission which took the place of the Toronto Transportation Commission in 1954 on the formation of the Municipality of Metropolitan Toronto. In the change to a metropolitan system of local government, the Commission's

area of responsibility was expanded from 35 square miles to 241 square miles. Because of this huge expansion into the suburban areas surrounding the City of Toronto, the number of miles operated in suburban municipalities by the Commission has also greatly increased. During the first full year of operation in 1955, suburban mileage rose from 3,500,000 miles to 5,140,000 and reached 11,500,000 miles in 1964, an increase of 1½ million miles over 1963 and 6,360,000 over 1955.

CHAPTER 2.

TRANSPORTATION, ORGANIZATION AND THE FEDERAL GOVERNMENT

All three levels of government play an important role in the administration and planning of transportation. Although the main concern of this study is with local transportation, the responsibilities of all three levels are so interwoven that the local level cannot be examined without extensive reference to the provincial and federal governments. Local government is mainly responsible for intra-urban transportation, while responsibility for inter-urban transportation rests primarily with the provincial and federal governments.

In Canada, under the provisions of the British North America Act, 1867, as amended, mutually exclusive powers are given to the Provinces and to the Government of Canada with the residue of powers resting with the latter. With regard to transportation within Canada, the Act states that local works and undertakings, including shipping, railways, canals and telegraphs, which connect a province with another, or extend beyond the limits of a province or which, although wholly situated within a province, are declared by the Parliament of Canada to be for the general advantage of Canada or for the advantage of two or more Provinces, come within the legislative authority of the Parliament of Canada. 1/

Using these constitutional powers as a guide, it can be seen how the present control by the federal government over trans-continental railways, airways, waterways and the Trans Canada Highway has evolved.

The Minister of Transport is responsible to Parliament for the Department of Transport and the following agencies, Crown and propriety corporation covering rail, water and air transport:

1/ B.N.A. Act, section 92:10

Agencies - Air Transport Board and Board of Transport Commissioners.

Crown Corporations - Canadian Maritime Commission,

Canadian Overseas Telecommunication (both of which are department corportations responsible for administrative, supervisory or regulatory services of a government nature);

The Canadian National Railways,

St. Lawrence Seaway Authority and Air Canada (all of which are agency corporations responsible for the management of trading or service corporations on a quasi-commercial basis)

Proprietary Corporations.

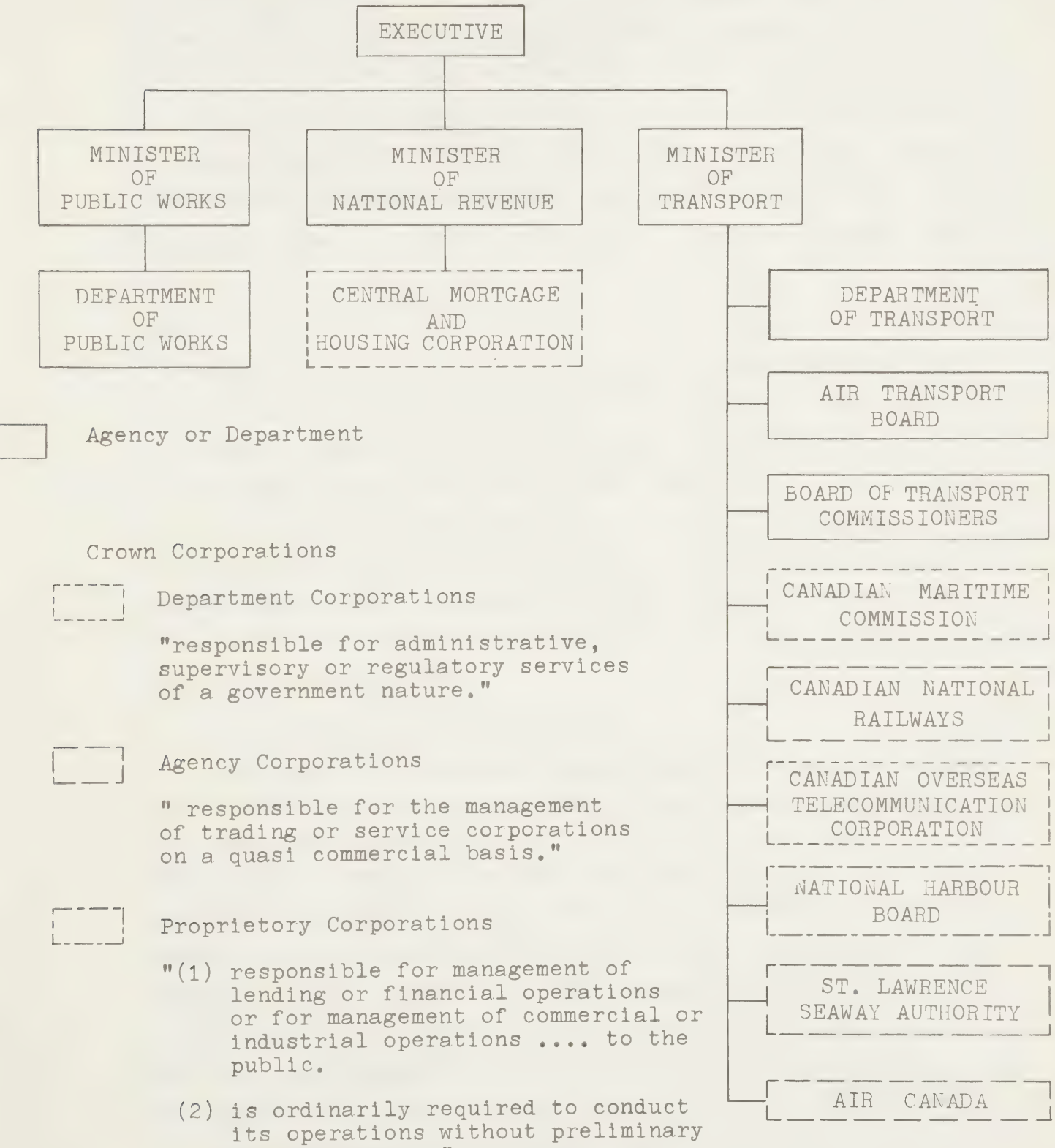
- National Harbours Board, which besides being responsible for management of a public undertaking is ordinarily required to conduct its operation without parliamentary appropriations.

Federal involvement in highways is limited to the making of grants to the provinces for the construction of the Trans Canada Highway, under a program administered by the Department of Public Works, to the construction of "roads to resources", under a program which is administered by the Department of Northern Affairs and National Resources, and to the construction of highways through national parks. The Federal Government, therefore, has no concern with road construction or maintenance in the Study Area apart from financial implication through the Municipal Winter Works Incentive Program and the Municipal Development and Loan Act.

Under the Municipal Winter Works Incentive Program, which has operated since December, 1958, the federal government now pays up to 60 percent of the direct payroll costs of approved municipal capital projects undertaken during the winter months. Ontario municipalities normally contribute 25 percent of the balance of payroll costs with the Province providing the difference.

The federal government's Municipal Development and Loan Act provided for $400 Million to be lent to provincial governments between October 31, 1963 and March 31, 1966.

The Federal Government as it affects Transportation



In Ontario, approved municipal capital works qualify through the Province's Municipal Works Assistance Program for loans equivalent to two-thirds of approved expenditures. The rate of interest on the loans is 5 3/8 percent and, if the works are completed by April, 1966, a maximum of 25 percent of the loan will be forgiven.

In so far as some of the above mentioned bodies relate to the provision of transportation in the study area, a brief description of their operations is given below under the functional heading of rail, marine and inland waterways, and air.

RAIL

Rail transportation under federal jurisdiction involves the Rail Division of the Department of Transport, the Board of Transport Commissioners for Canada, the Canadian National Railway and the Canadian Pacific Railway.

Very briefly, the Rail Division of the Department of Transport is a regulatory body concerned with the general economic position of railways in Canada and the legislation under which they operate. As such, the division has little impact on the Study Area.

The Board of Transport Commissioners.

The Board of Transport Commissioners for Canada, on the other hand, is a regulatory, administrative and judicial body with extensive powers which, in particular, influence commuter rail transport in the Study Area. In its judicial capacity the Board is a statutory court of record so constituted by the Railway Act and recognized as such by the ordinary courts of the land. The findings or determinations of the Board on any question of fact within its jurisdiction are final, with appeal to the Supreme Court of Canada only on a question of law or of jurisdiction.

The Board has jurisdiction, under more than a score of statutes, over transportation by rail and inland waterways and over communication by telephone and telegraph.

One of the Board's principal functions, however, is the regulation of railway passenger and freight rates. Except for certain statutory rates it has power under the Railway Act "to fix, determine and enforce just and reasonable rates, and to change and alter rates as changing conditions or cost of transportation may from time to time require." In the words of Chief Commissioner Killam, "The business of the Board is to enforce the railway legislation of the Dominion Parliament, and for that purpose to order the performances of some acts and to prohibit others...."

The Board cannot establish the frequency and timetable of a railway service but they can order a minimum of service and their authority must be obtained before a passenger line is abandoned. Reduction in service may also be protested to the Board.

In September 1964 new legislation was introduced setting up a Branch Line Rationalization Authority to allow railways to close down unprofitable lines progressively over a period of 15 years. During the transition period an annual subsidy will be paid by the government. 2/

Commuter Services.

Commuter services are a matter of policy to be established by the railway companies; but, once so established, commuter services of railways under the jurisdiction of the Board, using intra-provincial rails, are subject to the same regulation as other passenger rail services. Thus, once established, a commuter service may not be abandoned without permission of the Board but, on the other hand, the Board has never ordered a company to start a commuter service. In 1954, for example, the Oakville Commuter Association filed a submission with the Board "for an order directing Canadian National Railways to provide additional commutation train service between Oakville-Toronto." The Board rejected the proposal.

2/ Based on recommendations of the Royal Commission on Transportation, 1962. (The MacPherson Commission).

The Board authorizes tariff rates for all traffic of federally controlled railways running on intra-provincial lines and the Board, therefore, has jurisdiction over the commuter fare structure of such railways.

The C.N.R. is the rail operating arm of the federal Government and has access to parliamentary appropriations to bolster its revenues. The C.P.R., by contrast, is a joint stock corporation responsible to its shareholders but is subject to the same controls and regulations as described above. Only one C.P.R. train has a schedule serving commuters, the Peterborough-Agincourt-Toronto train. Recently the C.P.R. requested permission from the Board of Transport Commissioners to drop even this service but the ensuing public outcry resulted in its continuation.

Four commuter trains are operated by the C.N.R. to and from Toronto. Two of these leave Hamilton at 6.15 a.m. and 7.00 a.m. and return from Toronto in the evening at 5.20 p.m and 6.20 p.m respectively. Another leaves Guelph at 6.35 a.m and returns at 5.20 p.m, while the fourth operates one way only at night from Toronto to Markham. Through trains from outside the region, such as Chicago & Detroit, which happen to stop at suburban stations during rush hours are not classified as commuters.

The railways cooperate closely with provincial and local governments and their agencies because of legal requirements and of self-interest. If, for example, a new line or a spur is required, a plan to expropriate property must be filed and, automatically, the Ontario Department of Highways, The Department of Municipal Affairs, the Ontario Municipal Board, and appropriate municipalities and planning boards become involved. The construction of the new C.N.R. access line and marshalling yard located in Vaughan Township was sufficiently complicated that a separate project organization within the C.N.R. was established. This group also maintained liaison with outside agencies.

As the railways are major land owners, it is in their own interests to protect and increase the value of their holdings. They readily assist, therefore, in the promotion of industrial development by close co-operation with local planning boards and industrial commissions.

Railway Grade Crossing Fund.

Under the provisions of the Railway Act, a fund known as the Railway Grade Crossing Fund was established in 1909 to assist toward the cost of constructing works for the protection of the public wherever a highway crossed a railway line at rail level. The fund is administered by the Board of Transport Commissioners.

General Order E-5 provides that the cost of grade separations shall be divided as follows:

i) where the cost of a grade separation does not exceed $625,000, the fund will provide 80 percent, the railway company 5 percent and the appropriate road authority the remaining 15 percent;

ii) where the cost exceeds $625,000, the usual arrangement is for the fund to contribute 80 percent of $625,000 (or $500,000), the railway 5 percent of $625,000 (or $31,250) and the appropriate road authority the balance. There are, however, many variations of this latter scheme depending on the number of tracks or the number of lanes of highway constructed.

While there is no Board Order governing the sharing of crossing protection costs the generally accepted formula is 80 percent from the Railway Grade Crossing Fund, $7\frac{1}{2}$ percent from the railway and $12\frac{1}{2}$ percent from the appropriate road authority. Maintenance costs are shared equally between the railway and the road authority.

Marine and Inland Waterways

Federal jurisdiction over transportation by inland waterways rests with the Board of Transport Commissioners. Under the Transport Act, the Board is responsible for licensing ships, which transport passengers and goods for hire or reward between places in Canada on the Great Lakes, and has regulative powers over the tolls charged. Before granting a licence, the Board must be satisfied that public convenience and necessity require such transport. Thus, before a commuter service on Lake Ontario could be established to bring commuters to and from Toronto, the Board of Transport Commissioners would be involved.

Other federal departments and agencies with administrative or regulatory jurisdiction over water transportation are the Marine Division of the Department of Transport, the National Harbours Board, the St. Lawrence Seaway Authority and the Canadian Maritime Commission. Of these, the only body directly affecting the Study Area is the Marine Division of the Department of Transport.

The Division, inter alia, maintains navigation aids such as buoys, beacons, markers, lightships and lighthouses; builds and maintains ship channels, canals, harbours and wharfs; establishes and enforces safety regulations; guards against air and water pollution by ships; certifies masters and mates; licenses pilots; and controls all harbours in the country, some directly and some indirectly through harbour commissions.

Table 2-1 shows that in the Study Area there are seven harbours, the three largest of which at Toronto, Hamilton and Oshawa, are controlled by Harbour Commissions. Harbours are built by the Federal Department of Public Works, usually through local initiative on land provided by the federal government, and are then handed over to the Department of Transport for administration.

Harbour Commissions are federal corporations created by statute. The Toronto Harbour Commission was created in 1911 and consists of five members appointed for a three-year term, three appointed by the City Council and two by the Governor in Council with one of the latter being recommended by the Board of Trade of Metropolitan Toronto. Development of the Port has been financed over the years by the City to the extent of some $17 million and by the federal government to the extent of about $25 million. Currently, real estate and business taxes produce about $6 million annually for the City. The Toronto Harbour Commissioners also operate the airport on Toronto Island and provide a marine police force equipped with speedboats and lifeboats to patrol the harbour limits. The marine police force also supervises lifeguards on duty on municipal beaches.

TABLE 2 - 1

Harbours in the Study Area, 1965

Location	Port Authority
Toronto	Toronto Harbour Commission
Hamilton	Hamilton Harbour Commission
Oshawa	Oshawa Harbour Commission
Clarkson	Dept. of Transport
Oakville	Dept. of Transport
Port Credit	Dept. of Transport
Whitby	Dept. of Transport

SOURCE: Federal Department of Transport.

AIR.

Two regulatory bodies, the Department of Transport Air Service Branch and the Air Transport Board, together with one administrative body, the Civil Aviation Branch of the Department of Transport, have impact on air transportation in the Study Area.

The main function of the Air Service Branch is to build airports and plan navigational and meterological services while the Civil Aviation Branch operates and maintains civil airports, develops, reviews and enforces safety standards, licenses carriers, flying clubs, flights and ground personnel, and controls traffic in the air and on airports. The Air Transport Board is responsible for regulations of commercial air services operating within Canada and of those, both domestic and foreign, operating into and out of Canada. The Board issues Regulations, approved by the Governor in Council, dealing with such matters and with relation to applications for licences, traffic tolls and tariffs.

Airports are classified as mainline, satellite, local and heliports. Mainline airports are those serving scheduled commercial flights and are subdivided into international airports, which serve areas with populations of 225,000 and up, trunk airports, which serve populations of over 40,000 or are important as interconnections, and feeder airports which cover all other airports classified as mainline. The Department of Transport is responsible for the provision of facilities on mainline airports necessary for the operation of scheduled air carrier services.

Satellite airports are constructed and operated by the Department where the density of traffic on a mainline airport makes it advisable to provide a separate airport for the use of executive and light aircraft. A site in Markham Township has been selected by the Air Services Branch to serve as a satellite to the Toronto International Airport at Malton.

Local airports may be licensed as public or private. On payment of a fee, any aircraft may land and use the facilities of a public local airport but only those aircraft which have express permission may use the services of one which is privately licensed. Financial assistance may be given to municipalities for the development of local airports with one runway of at least 4000 feet, provided that economic studies justify federal participation on the basis of air traffic potential. Where a municipality purchases the necessary land and transfers it to the Department of Transport for a nominal sum, the Department may match the cost of developing the airfield with the municipality on a dollar for dollar basis up to a maximum contribution of $100,000, provided the municipality undertakes operation and maintenance of the airport upon completion. Such assistance is limited to development on the field itself and does not refer to buildings, utilities or access roads.

TABLE 2-2

Civil Airports in the Study Area, 1965

Mainline	Satellite	Public	Private	Heliports
Toronto	Toronto	Oshawa	Brampton	King City
International	Island	Mount Hope	Guelph	
		Markham	Orange-ville	
		Button-ville	Lake Simcoe	
		Maple		

Source: Federal Department of Transport

Heliports are relatively inexpensive, small in size and predominantly of local interest. Municipalities or private interests operating heliports are, therefore, expected to acquire sites, prepare them for use and to operate the heliports themselves. A heliport, which forms part of an airport administered by the Department, will be constructed and operated as part of the airport.

Table 2 - 2 shows that there are 11 civil airports and one heliport in the Study Area. Toronto International Airport is owned and operated by the Department of Transport, while its satellite on Toronto Island is operated by the Harbour Commission. The airports at Oshawa and Mount Hope were originally built for purposes of national defence and were subsequently acquired by the municipalities concerned.

CHAPTER 3

TRANSPORTATION, ORGANIZATION AND THE PROVINCIAL GOVERNMENT

Provincial responsibility for transportation is primarily in respect of roads: the planning, construction and maintenance of inter-urban highways, enforcement of statutes with respect to highways, financial assistance towards the construction of intra and inter-urban roads, and the licensing and control of motor vehicles. These responsibilities involve a number of provincial departments, particularly the Departments of Highways, Transport, Municipal Affairs, Economics and Development and the Attorney General. The first four of the above mentioned departments are of particular interest to this study.

Department of Highways

The Department of Highways Act establishes the Department of Highways and defines its general functions and structure of organization, while The Highway Improvement Act sets out most of the responsibilities and powers of the Minister of Highways. The Minister is assisted by a Deputy Minister under whom are two Assistant Deputy Ministers, one for engineering and one for administration, with responsibility for co-ordination of the various engineering and administrative functions within the Department.

The Ontario Department of Highways is responsible for the planning, construction and maintenance of all provincial highways and for the enforcement of regulations with respect to them. The Planning Branch of the Department prepares long term programs of highway construction, based on traffic and economic studies, and plans the location of highways. The Design Branch designs all highways and structures according to needs and carries out necessary pre-engineering field work. The Operations Branch, through its Construction and Maintenance Divisions, gives guidance and technical advice to the district engineers who supervise

construction and maintenance of highways, while the Municipal Roads Division of the Operations Branch has responsibility for administration of The Highway Improvement Act, with reference to approval of municipal roads for subsidy purposes.

Department of Transport

The Department of Transport was formed in 1957 to take over the traffic control and licensing functions originally held in the Department of Highways. Various branches under the direction of a Deputy Minister administer such matters as motor vehicle licensing and inspection, drivers' examination, licensing and control, highway safety regulations, and traffic engineering and research. All by-laws and control devices concerning the regulation of motor vehicle traffic in a municipality must be approved by the Department. As well as administering the Highway Traffic Act, the Department provides, upon request and at no cost, a traffic engineering service to all municipalities, which consists of traffic regulation, intersection layouts and other matters related to the operation and control of traffic. This service is effected through the Traffic Engineering Branch of the Department and is of an advisory nature only.

The Ontario Highway Transport Board is a quasi-judicial body within the organization of the Department of Transport for the Administration of The Public Vehicles Act, The Public Commercial Vehicles Act and The Motor Transport Act (Canada). The Board's primary function is to grant, review and revoke licences of public commercial vehicles operating on provincial highways and between municipalities. Certain motor carriers are also required to file their rates with the Board together with any changes made in the rates.

Department of Municipal Affairs

More than thirty statutes affecting municipalities, boards and commissions are administered by the Department of Municipal Affairs through various Divisions and Branches. Of principal concern to this study is the Community Planning Branch. The Branch administers The Planning Act and related provisions of The Municipal Act and offers encouragement, guidance and support to municipalities to plan for orderly development. The Ontario Municipal Board is a quasi-judicial body under the Administration of the Department. The Board has some impact on transportation because of its appellate nature referred to from time to time in the following chapters, and because of its control over local borrowing and approval of zoning by-laws.

All plans of subdivision, official plans and amendments are examined by the Community Planning Branch prior to ministerial approval. As the Branch is consulted by the Department of Highways at an early stage in the highway planning process, it is apparent that the opportunity exists for the Branch to assist in co-ordinating transportation planning with local land use and development. Before approval of an official plan and plans of subdivision, the Branch consults many departments and organizations for information and objections. Among such bodies are the Ontario Department of Highways, the railways and the Federal Department of Transport. Attempts are made to settle any differences that may arise but if, for example, highway plans are well advanced, the proposed official plan, or plan of subdivision may have to accommodate them.

Department of Economics and Development

The work of the Department of Economics and Development is briefly mentioned because of the assistance the Department gives to other departments by providing information and advice through the Office of the Chief Economist and other divisions. The Financial Research Branch, for example, has been most helpful in providing information for

this study; the Municipal Services Division provides industrial surveys to municipalities including information on transport services, while the Regional Development Division promotes regional planning through establishment of Regional Development Associations.

CHAPTER 4

TRANSPORTATION, ORGANIZATION AND LOCAL GOVERNMENT

The numbers and classifications of local municipalities making up the Study Area have been listed in Table I-1. The structure and administration of Ontario municipalities is governed primarily by The Municipal Act which allows a wide variety of choice in the composition of councils. For example, the number of local representatives, and sometimes the terminology used to describe them, may vary according to municipal status, population or whether or not the municipality is divided into wards. For the purpose of this study it would be irrelevant to describe the composition of the various local municipal councils in the Study Area.

Under the Ontario County system, cities and separated towns are politically separate from the county in which they are located geographically. Towns, villages and townships, except in Metropolitan Toronto, are politically part of the county in which they are situated and send representatives to the county council. County council members are indirectly elected. The number eligible to be sent from each municipality and the voting strength of each representative varies with the number of municipal electors within a municipality.

Metropolitan Toronto represents a unique form of municipal organization. The thirteen area municipalities forming Metro are: the City of Toronto, the three large "outer" townships of Scarborough, North York and Etobicoke, which respectively form the east, north and west boundaries of Metro; and the "inner" suburbs of the towns of Leaside, Weston, Mimico and New Toronto, the villages of Forest Hill, Swansea and Long Branch, and the townships of East York and York. The Metropolitan Toronto Planning Area, of which more will be said later, comprises Metro and thirteen additional municipalities which are often referred to as the "fringe" municipalities. The northern fringe consists of the Town of Richmond Hill, the villages of Stouffville, Markham and Woodbridge, and the townships of Markham, Vaughan and Toronto Gore. The eastern fringe municipalities are the Town of Ajax, the Village of Pickering and the Township of Pickering,

while the western fringe consists of the towns of Port Credit and Streetsville and the Township of Toronto.

The Council of Metropolitan Toronto consists of the 13 heads of all the local councils together with two controllers and 9 aldermen from the City of Toronto. From Metro's inception, the chairman has been chosen from outside the members of council. Thus, the Metro Council is composed of 24 members, 12 from the City and 12 from the suburbs, with a chairman selected by council making 25 in all.

Administration of public affairs at the municipal level is carried out by appointed officials reporting either to committees of council or to council as a whole. Where a city has a board of control, reports of committees or of departments are submitted first to the board. In Metro's case, an executive committee of six members, selected by the council, and chaired by the chairman of Metro Council acts in a capacity similar to a board of control. Chart 2 shows the administrative organization of the municipality of Metropolitan Toronto. Some urban municipalities employ a town or city manager form of government, an example of which in the study area is found in the Town of Oakville.

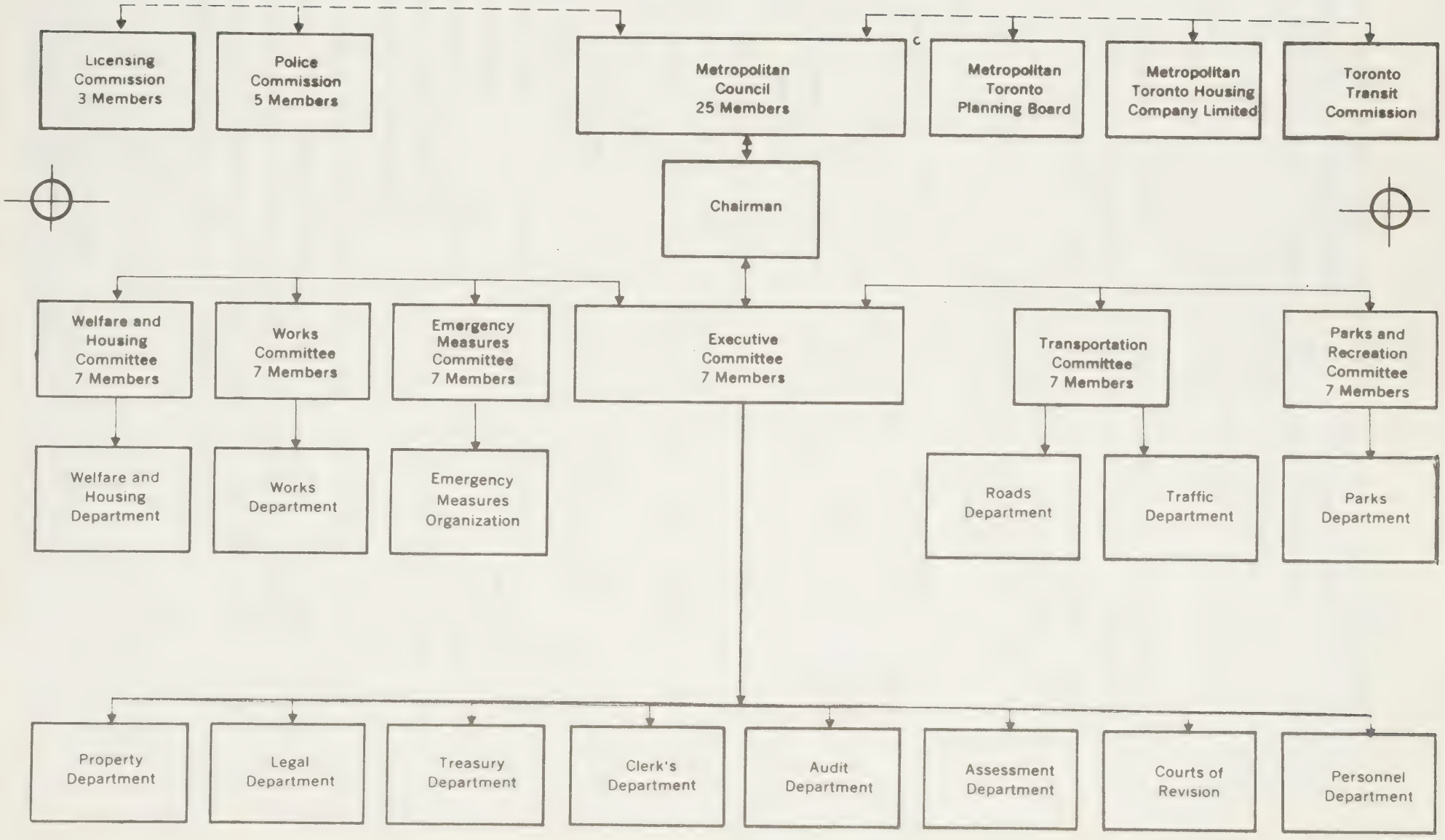
Responsibility of local authorities for transportation is limited to the planning, construction and maintenance of roads under their jurisdiction, to the provision of parking facilities & public transit, and to the control of traffic, subject to by-laws approved by the Minister of Transport.

ROADS

Control over the design, construction and maintenance of roads is effectively exercised by the Ontario Department of Highways through its system of grants-in-aid for road construction and maintenance, whereby approval of proposed work and expenditure must first be obtained from the Department. In counties, the Minister of Highways must

Municipality of Metropolitan Toronto

Organization Chart



Source:

"10 years of progress 1953 - 1963"

approve the plan, and any change in the plan, for a suburban road system to which a city or separated town contributes financial support. [1] If the Department of Highways considers a municipal road to be in need of repair, the Department may step in and make the repair, deducting the cost from any subsidies due. [2]

Provincial control of local planning is exercised mainly by the Department of Municipal Affairs through the Community Planning Branch to which all development applications, official plans and alterations thereto must be submitted for approval by the Minister. Zoning by-laws must be approved by The Ontario Municipal Board.

Subject to such indirect control by the above two provincial departments, there exists in the Study Area a network of local roads of some 10,500 miles planned and administered by counties, Metropolitan Toronto, cities, towns, townships, villages, and suburban road commissions.[3]

All municipalities may pass by-laws controlling the use of roads for safety and health purposes. [4] They may also acquire land for parking lots and may establish parking authorities to control the lots.

A county may apply to the Lieutenant Governor in Council for a suburban road commission to be appointed in respect of each city and separated town geographically within its boundaries. [5] Such commissions consist of members, appointed by the county council and the city or separated towns, with authority to direct the construction and maintenance of suburban roads.

There are five suburban road commissions operating within the Study Area: in Simcoe County in respect of Barrie, in Wellington County in respect of Guelph and in Wentworth, Ontario and York Counties for Hamilton, Oshawa and Metropolitan Toronto respectively.

1/ R.S.O. 1960, C.171, S.69
2/ Ibid S.98
3/ See Chapter 1, page 10
4/ R.S.O. 1960, C.249, S.377, paras 51-57
5/ R.S.O. 1960, C.171, S.68.

Normally, the county engineer supervises road work for suburban road commissions so that suburban roads rank as an appendage to the county engineering organization and county road committee. In York and Wentworth Counties, however, the entire county road networks, with minor exceptions, have been designated as suburban roads with the result that the suburban road commissions, rather than the county road committees, are the dominant bodies in these two counties.

Suburban road mileages in the Study area are as follows:

In respect of Metro Toronto.....	200	miles approx.
In respect of Hamilton.....	168	" "
In respect of Barrie.....	18	" "
In respect of Guelph.....	37	" "
In respect of Oshawa.....	30	" "

Metro Roads and Traffic

Under The Municipality of Metropolitan Toronto Act, Metro may designate certain roads as metropolitan roads and, with the approval of the Municipal Board, may designate any metropolitan road, or part of it, as a controlled-access road. In the latter event, Metro may, on payment of compensation, prohibit or control the construction of any means of access to the metropolitan controlled-access road and may close any municipal road that intersects or runs into it.

Metro is subject to the same controls by the Ontario Department of Highways as any other municipality. It must submit its estimate of expenditure for ministerial approval and all work must be carried out in accordance with the requirements of the Minister. All the powers of a city are conferred upon Metro with respect to its own metropolitan roads with the additional power to operate all traffic light control systems whether situated on metropolitan roads or on the roads of area municipalities. The latter are responsible for all other forms of traffic control on their local roads, such as road signs and designation of one-way streets. Thus responsibility for

traffic regulation on roads within Metro is divided between Metro and the area municipalities, all subject to by-law approval and statutory adherence established by the Department of Transport.

Within Metro, the municipality of Metropolitan Toronto and the Township of Etobicoke have roads departments operating as a separate unit. In the latter municipality, however, the roads department also handles garbage collection, traffic and equipment maintenance. In the other area municipalities, including the City of Toronto, road and street maintenance is carried out as one of the engineering functions of the local public works department which also performs such services as street cleaning, sewage disposal and garbage collection.

Metro and five area municipalities have personnel exclusively assigned to traffic. Metro and North York have separate traffic departments; Etobicoke has a traffic co-ordinator under the Roads Commissioner, while in Toronto, Scarborough and York, the heads of traffic engineering are responsible to the Works Commissioner in the respective departments of works. In the other area municipalities, traffic engineering, to the extent it exists, is combined with other engineering functions.

Metro Roads Department and Metro Traffic Department both report to the Transportation Committee of Metro Council which in turn reports to the Executive Committee.

Parking

Under The Municipal Act, all municipalities may acquire land for off-street parking lots and may establish an authority known as "The Parking Authority" to administer them. The Municipality of Metropolitan Toronto Act gives Metro similar permissive powers with respect to parking with the alternative that the City of Toronto Parking Authority may administer Metro parking lots. So far, however, these powers have not been exercised by Metro.

Subject to approval of the Minister of Transport, all municipalities may also pass by-laws for the installation of parking meters for controlling the parking of any vehicle on the highway.

Parking Authorities are bodies corporate consisting of three members appointed by council for a three-year term. All members must be persons eligible for council but must not be members of council. The authority must submit its current estimates and an annual report to council. Rates charged for parking facilities must be sufficient to make parking operations self-sustaining but an authority also has the the right to make requisitions upon council "for all sums of money required to carry out its powers and duties". 6/

Within Metropolitan Toronto, all municipal parking is administered by the area municipalities, of which the City of Toronto and Townships of York and Etobicoke have parking authorities. The Parking Authority of Toronto is a substantial operation, with total fixed assets of over $17 million at December 31, 1964, representing an investment in municipal off-street parking of $27 per capita. The Parking Authority of York Township is managed by the clerk of the Township. It has off-street parking facilities with a total historical cost of $303,903 or an investment of $2.38 per capita. Etobicoke has some municipal parking serving the main shopping district which is administered by a Parking Authority managed by the Traffic Co-ordinator. In North York, parking facilities are under the traffic department. As with Etobicoke, North York has fortuitously avoided much of the City of Toronto's parking problem, by the good fortune of having developed mostly in the past fifteen years and has had in force a by-law requiring the provision of adequate parking facilities by large factories and commercial buildings.

6/ R.S.O. 1960, C.249, S.377, S.S.68, paras g and h

Outside Metropolitan Toronto there are parking authorities in Guelph, Georgetown, Hamilton, Milton and Newmarket. Of these the Hamilton authority is the largest, owing and operating about one-seventh of the off-street parking in the centre of the City.

Public Transit

Cities, towns, villages and townships may grant bus franchises to private operators for periods not exceeding ten years and may buy or operate a public bus system. 7/ They may also regulate fares and routes of bus companies holding licences under The Public Vehicles Act provided the trips begin and end wholly within the municipality. 8/ Subject to the approval of the Minister, cities may charge licensed operators of public vehicles a fee for operating partly within the city, while counties may regulate fares for passengers and goods carried on gravel or macadamized county roads. 9/

As noted in Chapter 1, the largest of the publicly operated transit systems is the Toronto Transit Commission which, under The Municipality of Metropolitan Toronto Act, has sole responsibility in the Metropolitan Toronto Area for all forms of local public passenger transportation except steam railways and taxis and "shall plan for the future development of such transportation....". The Commission may also agree with any person or municipality situated within 25 miles of the metropolitan area to operate a local passenger transportation service. An agreement with the Town of Richmond Hill and the Townships of Markham and Vaughan provides for the operation of the North Yonge bus service. The number of commissioners is presently five, appointed by Metro Council for a three year staggered term, but, since 1963, Council has had power to reduce the number to three.

7/ R.S.O. 1960, C.249, S.379, S.S. 1, para 88 and S.O. 1961, C.59, S.15, para 4
8/ R.S.O. 1960, C.337, S.8
9/ Ibid S.9 & R.S.O. 1960, C.249, S.391, S.S. 11

Originally the Commission was intended to be self-sustaining but, in 1962, the Metropolitan Corporation was authorized to contribute to the capital costs of the Commission and, in 1963, to the operating costs. 10/

Between 1953 and 1963 the transit system in Toronto, in common with others in North America, experienced a decline in the number of fare paying passengers. The overall decline occurred despite an increase in the number of routes from 53 to 80 and additional one-way route mileage of approximately 75 percent. During 1963, however, the trend reversed with the number of fare paying passengers increasing by almost 2.3 million over the previous year. This trend has continued. In 1964 the number of passengers increased by 4.2 million over 1963 and during the first eight months of 1965 an increase of 7.4 million fare paying passengers was experienced over the corresponding period of 1964. During 1964 the T.T.C. carried 275.3 million fare paying passengers, well below the total of 320.2 million carried in 1954, but operated a total of 472 route miles compared with 299 in 1954; and travelled a total of 54.4 million miles compared with 45.3 million miles in 1954. In 1964, route mileage was made up of 393 miles of bus and trolley routes, 72.5 miles of street car routes and 6.7 miles of subway track. From February 25, 1966, an additional 8 miles of subway track from Keele Street to Woodbine Avenue will be in operation, with a total of about 21 miles in operation by the end of 1967.

The total number of passenger vehicles increased over the period, rising from 1,549 in 1954 to 1,802 in 1964. During this same period the Commission purchased 809 vehicles for its passenger fleet, at a total cost of $34,200,000, including 535 motor vuses, 176 subway cars, 68 trolley coaches and 30 street cars. All the street cars and 28 of the trolley coaches were purchased second hand and fully re-conditions.

10/ R.S.O. 1960, C.260, S.116, S.S. 1, para C as amended.

Street cars still handle the greatest volume of passengers, carrying 44.3 percent of all riders. Buses carry 33.8 percent, the subway 13.8 percent and trolley coaches 8.1 percent.

The Hamilton Transit Commission operates the Hamilton Street Railway Company under the provisions of the City of Hamilton Act. City Council appoints three, unsalaried commissioners for three year terms who select their own chairman from among themselves. No subsidies are received from the City.

Over the period 1954 to 1964, the number of fare paying passengers declined by 28.5 percent from 34.4 million to 24.6 million while the number of seat miles offered increased by 25.3 percent from 225.2 million to 282 million seat miles. Between 1963 and 1964, however, the number of passengers increased by nearly 662,000.

In 1964 the company took delivery of 9 new 44-passenger General Motors diesel buses at a cost of $285,750 increasing the fleet to 136 buses and 48 trolley coaches. The fleet operates over 270.1 round trip route miles with trolley coaches travelling 30.8 round trip route miles and buses 78.5 in the City and 60.8 round trip route miles in the suburbs.

Planning

Responsibility for transportation planning at the local level rests with a large number of agencies in the Study Area. Apart from every planning board and local council (through the latter's public works department or, where applicable, roads department) some form of responsibility lies with suburban road commissions, the planning branches of the public transit authorities, the traffic departments in Metro Toronto and Hamilton and to some extent, the various parking authorities. With the exception of planning boards, the responsibilities for transportation of all the above named bodies, have already been discussed.

Within Metropolitan Toronto, the Metropolitan Toronto Planning Board is responsible for preparation of an official plan, the scope of which includes the planning of rapid transit systems in consultation with the Toronto Transit Commission.

All local official plans of the 26 municipalities in the Metro Planning area, which covers some 720 square miles, must conform to Metro's plan. Provisions of The Planning Act require that the Official Plan must be adopted by Metro Council and approved by the Minister of Municipal Affairs or by the Ontario Municipal Board. Currently, the Plan is before Council.

The Metropolitan Toronto Planning Board consists of 24 members as follows:

7 representatives of Metro Council - the Chairman, the Mayor of Toronto, a suburban councillor and the 4 chairmen of the standing committees of Metro Council;

9 appointees of Metro Council from outside its membership;

4 representatives from the 13 "fringe" municipalities in the planning area surrounding Metro;

2 members of the Metropolitan School Board;

1 member of the Separate School Board;

and the Chairman of the Toronto Transit Commission.

For purposes of representation on the Board, the 13 fringe municipalities are divided into four districts with one representative from each district:

(i) West district, including Toronto Township, Streetsville and Port Credit.

(ii) North-west district, including Toronto Gore Township, Vaughan Township and Woodbridge.

(iii) North-east district, including Markham Township, Markham Village, Richmond Hill and Stouffville.

(iv) East district, including Ajax, Pickering Township and Pickering Village.

All members of the Board who are not members of a council are appointed for a three year staggered term so that, as nearly as possible, one third will retire each year. Members,who are also members of a council,are appointed annually.

The composition of most other planning boards in the Study Area is the head of council, ex officio who, in the case of a joint board will be the head of the "designated" municipality, and four, six or eight members who are not employees of a municipality or local board. [11/] Board members who are also council members must not form a majority. The composition of some planning boards in the Study Area varies at the Minister's discretion, under the provision of section 5 of The Planning Act.

Eleven of the 13 area municipalities forming Metropolitan Toronto have subsidiary planning boards. The two exceptions are Forest Hill and Swansea. Of the eleven municipalities which have planning boards, eight have official plans and six have full time planners who work either for the board or for the municipality. The six with full time staff are the City of Toronto and the five townships.

In the 13 fringe municipalities, all except Port Credit have planning boards and all except Port Credit, Ajax and Markham Village have official plans. Four of the 13, the Townships of Toronto, Markham, Vaughan and Pickering have full time planning staffs. All municipalities within the Metropolitan Toronto Planning Area, which do not have full time planning staff, have available to them, on request, the services of the staff of the Metropolitan Toronto Planning Board. Some municipalities without full time planning staff utilize the services of planning consultants on a regular basis. Examples are Leaside and Weston.

11/ In the case of joint planning areas, the Minister names a "designated" municipality. The principal functions of the Council of the designated municipality under The Planning Act is to make the formal appointment of members to the planning board (nominations are made by the councils of the other municipalities in the planning area and all appointments require the Minister's approval) and to consider the proposed official plan for adoption and submission to the Minister for approval .

In the Study Area, outside the boundaries of the Metropolitan Toronto Planning Area, all but four of the 72 municipalities have appointed planning boards or are members of joint planning boards. The four exceptions are Erin Village, Erin Township and the Villages of Caledon East and Cookstown. Seven planning boards, covering a total of 20 municipalities, are served by, or have access to, full-time planning staff as follows:

Planning Boards	Municipalities
Brampton	Brampton Town
Burlington and Suburban	Burlington Town East Flamborough Township Waterdown
Hamilton	Hamilton City
Hamilton-Wentworth	(Hamilton) Dundas Stoney Creek Ancaster Township Beverley Township Binbrook Township West Flamborough Township Glanford Township Saltfleet Township
Oakville	Oakville City
Central Ontario	(Oshawa) Bowmanville Whitby Darlington Township Whitby Township East Whitby Township
Oshawa	Oshawa City

In all, some 53 local municipalities in the Study Area out of a total of 86, including the Municipality of Metropolitan Toronto and its 13 area municipalities, have official plans or are in a joint planning area covered by an official plan. Not all of these official plans, however, are comprehensive. Some, for example, refer only to industrial land use.

CHAPTER 5.

CO-ORDINATION AND CO-OPERATION

The picture in Ontario with regard to local and provincial transportation is dominated by the Department of Highways of Ontario (DHO). The Department has reached this position partly through its power, under The Highway Improvement Act, of approving municipal road and street projects qualifying for subsidy, and partly because it plans, constructs and maintains the provincial highway network affording transportation between cities and large towns, and acrosss the Province as a whole. Federal responsibilities for transport within the Study Area relate to railways, waterways and airlines and, as already demonstrated, there is little overlapping or sharing of these responsibilities with other levels of government.

The Role of Ontario Department of Highways

Municipalities are not as a rule kept informed of Departmental plans during the early stages of planning, designing and constructing King's Highways, unless DHO feels that a particular municipality is going to be directly affected by some specific action which the Department is planning to take. If, for example, a complex interchange planned for a highway will interfere with a local road, the DHO will discuss the problem with the municipality concerned.

The Department is at present engaged in making some twenty area studies of future needs. As each study is completed, the municipalities concerned are invited to a meeting with Department of Highways staff. In this way municipalities obtain a broad idea of the intentions of the provincial government. The municipalities, for their part, co-operate not only in submitting by laws showing costs of road projects, as they must do in order to obtain subsidies, but also in submitting detailed plans of proposed projects. In general, Metropolitan Toronto, Hamilton and

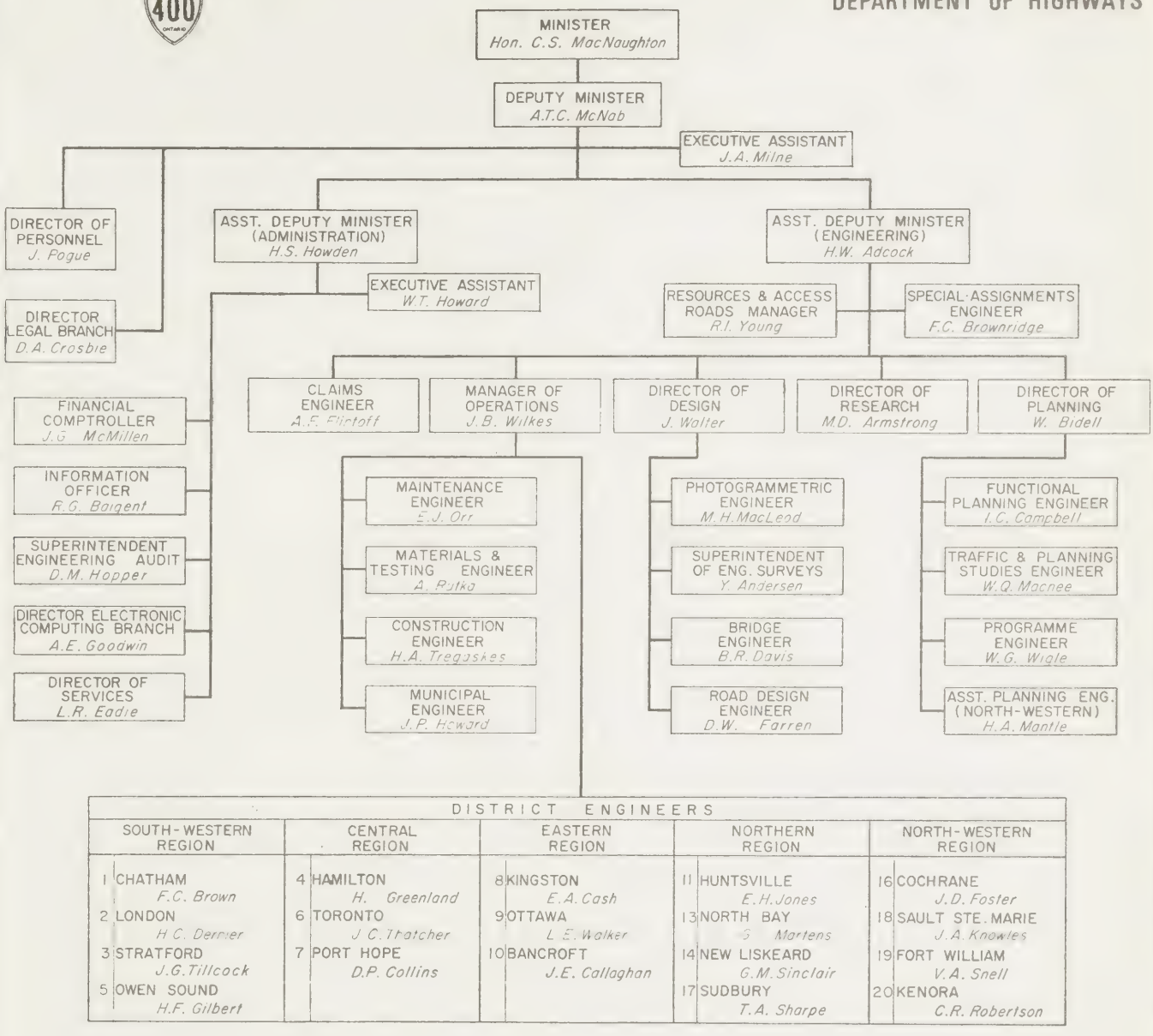
other large municipalities, will submit for subsidy approval, projects which have been adequately researched and planned. Counties also have a good reputation in this regard.

The Department also works closely with urban municipalities in carrying out studies of future street needs. These studies are carried out in the name of the municipality by a consultant. The Department maintains close liaison by means of technical advisory committees for each study and by virtue of the fact that such studies receive a provincial subsidy of 75 percent. Traffic studies in the Study Area have been carried out in Hamilton, Guelph, Barrie, and Oshawa, and are presently underway in Brampton, Burlington-Oakville, and Georgetown.

The Department through its normal municipal subsidy of 50 percent has arranged with the Counties to carry out studies of needs on their roads. All Counties within the region have undertaken or are undertaking such studies.

The work of construction and maintenance of highways calls for little co-ordination between the Province and municipalities. On the other hand, co-ordination of control in relation to access and egress to and from local collector road systems and provincial highways would seem to be important. At present, for example, traffic control on provincial highways, which form an integral part of Metro's freeway network is outside Metro's control. Introduction of highway traffic control at access and egress points would involve the installation of ramp signals which would have to be controlled in co-ordination with the local street network.

ONTARIO
DEPARTMENT OF HIGHWAYS



DISTRICT ENGINEERS

SOUTH-WESTERN REGION	CENTRAL REGION	EASTERN REGION	NORTHERN REGION	NORTH-WESTERN REGION
1 CHATHAM — F.C. Brown	4 HAMILTON — H. Greenland	8 KINGSTON — E.A. Cash	11 HUNTSVILLE — E.H. Jones	16 COCHRANE — J.D. Foster
2 LONDON — H.C. Dernier	6 TORONTO — J.C. Thatcher	9 OTTAWA — L.E. Walker	13 NORTH BAY — G. Martens	18 SAULT STE. MARIE — J.A. Knowles
3 STRATFORD — J.G. Tillcock	7 PORT HOPE — D.P. Collins	10 BANCROFT — J.E. Callaghan	14 NEW LISKEARD — G.M. Sinclair	19 FORT WILLIAM — V.A. Snell
5 OWEN SOUND — H.F. Gilbert			17 SUDBURY — T.A. Sharpe	20 KENORA — C.R. Robertson

DHO and Metropolitan Toronto.

Metropolitan Toronto is, in effect, a county with certain special features and many additional powers. For road planning and subsidy purposes, DHO deals not only with the Municipality of Metropolitan Toronto, but also with the area municipalities. Metro is large enough and wealthy enough for the Metro Roads Department to be an efficient operation. This means, that, by and large, DHO will approve Metro's road projects, with little or no objection or alteration. Co-operation between the Department and Metro is good. It would be unnatural, however, if conflict did not arise from time to time between two such powerful bodies.

With regard to major roadway construction and use, the Department and Metro sometimes tend to have different philosophies or design concepts. The Department seems to place a greater emphasis on the principle of maximum freedom of traffic flow; Metro, on the other hand, seems more tolerant of congestion, particularly during the peak rush-hour periods. Such differences in philosophy may be understandable when it is considered that Metro has financial and administrative responsibility of a mass transit system. The Department does not have this responsibility for the alternative transportation mode.

Co-ordination Within Metro.

Metro Roads Department and Metro Traffic Department both report to the Transportation Committee of Metro Council, which in turn reports to the Executive Committee and the Metro Chairman. The Toronto Transit Commission is on a different chain of command, reporting separately to Metro Council as a whole. The other bodies concerned with transportation on a Metro-wide basis are DHO and the Metropolitan Toronto Planning Board (which has a large transportation division). In order to co-ordinate the operations of these agencies, representatives of all five have been meeting every two weeks for some years as a committee known as the Transportation Technical Advisory Committee.

In addition, the Transportation Planning Advisory Committee was formed in 1961, in order to facilitate the solution of problems, such as those concerning the MacDonald-Cartier Freeway, at the planning instead of the operational stage. This committee meets once a month, and is composed of representatives of the same five organizations as those composing the Transportation Technical Advisory Committee. The personnel are also the same, but the Metro Roads Commissioner is chairman of the Technical Advisory Committee, while the Metro Planning Commissioner is chairman of the Planning Advisory Committee. Both committees report to Metro Council and to the Planning Board as appropriate. The composition of both committees is as follows:

The Metro Commissioner of Roads;
The Metro Traffic Engineer;
The Metro Commissioner of Planning;
The Director of Planning for the TTC;
The Director of Planning for the DHO.

As from January 1966 the Director of Subway construction has been appointed to the Transportation Planning Advisory Committee.

The purpose of these committees is to co-ordinate transportation planning within Metropolitan Toronto and through them senior officials of DHO and Metro are able to keep each other informed of their plans and problems on a regular basis. These committees have been and are being used to obtain a considerable degree of agreement on local, metropolitan and provincial matters at issue.

There are also the three Subway-Related Development Committees, one each for east, west and central, with the Planning Commissioner of Metropolitan Toronto as the chairman of each. In the Spring of 1966 it is intended to establish a similar committee for the north of Metro. These committees are composed of the following representatives:

From Metro: The Commissioners of Planning, Roads, Traffic and Property;

From the City of Toronto: The Commissioners of Planning, Development, Public Works and Parking.

From the TTC: The Director of Subway Construction, the Director of Planning and the Director of Real Estate.

From the affected townships of Etobicoke, York, East York and Scarborough:
Two officials each. Swansea is represented on the west committee.

As mentioned earlier, the Toronto Transit Commission is responsible, under section 115 (a) of the Municipality of Metropolitan Toronto Act, for operating and planning the bus and transit system in Metropolitan Toronto, while the Metropolitan Toronto Planning Board is charged with the responsibility of producing an Official Plan for Metro Toronto and the fringe municipalities which includes transportation. The Metropolitan Toronto Official Plan, dated December 1965, defines Metro's responsibilities for public transportation as follows:

> The Metropolitan Corporation and the Toronto Transit Commission shall be jointly responsible for the location and construction of rapid transit facilities, and the Metropolitan Corporation may participate in financing of the capital and operating costs of rapid transit facilities as appropriate. The Metropolitan Toronto Planning Board in consultation with the Commission shall prepare and recommend to the Metropolitan Council general plans for rapid transit facilities, ensuring their integration with surrounding land uses, and the overall transportation system, and the Commission shall prepare engineering designs and determine the operational specifications of the public transit system subject to review and approval by the Metropolitan Corporation.

While there is clearly overlapping of responsibility for transportation planning it should be noted that the Chairman of the TTC has been a member of the Metropolitan Toronto Planning Board since 1957 and the Chairman of the Metropolitan Transportation Committee is authorized to attend all meetings dealing with matters affecting Metro. Moreover, Metro provides the major source of funds for TTC capital investment programs and must first approve the acquisition of any property that is to be paid for by monies raised on the issue of debenture of the Metropolitan Corporation. 1/

Co-operation on a combined industry-government basis is provided through the Metropolitan Toronto Traffic Conference. This organization was originally formed in 1930 to provide a forum for business groups to petition the Toronto City Council on Traffic problems. Expanded to the Metro Area in 1959 it has grown to incorporate business, profession and trade associations, and municipal representatives both elected and appointed. Also among its memberships are traffic officials from the municipalities in the Metro area, Metropolitan officials and Police and the Ontario Department of Transport.

As part of their affiliation, these officials form the nucleus of the Metro Toronto Technical Traffic Committee and accordingly report their recommendations to the Metropolitan Toronto Traffic Conference, as well as the Transportation Committee of the Metro Corporation.

Another vehicle for co-ordination is the informal meetings of departments or bodies to resolve specific matters of mutual concern. An example of such an arrangement is to be found in the negotiations that have taken place between Metro's Roads Department, Metro Traffic Department, Metro Police and Metro Fire Department, to co-ordinate arrangements for maintenance and emergency vehicles to gain quick access to the MacDonald-Cartier Freeway.

1/ See Chapter 7.

Metro Roads Department and the Metro Planning Board co-operate closely with the planning boards of the developing municipalities of Etobicoke, North York and Scarborough. As a result, new subdivisions in these municipalities normally have their access to arterial streets designed to suit the requirements of Metro Roads Department and Metro Traffic Department but not always to the satisfaction of the TTC. All local subdivision recommendations are channelled through The Metropolitan Toronto Planning Board to the Department of Municipal Affairs which is thus advised of any recommendations or requirements of Metropolitan Toronto. In practice, zoning by-laws or changes thereto are referred by the area municipalities to the Metropolitan Toronto Planning Board for comment on their conformity to Metropolitan planning considerations including road and transportation requirements. Where a zoning application involves a change of residential density or of land use, the Ontario Municipal Board requires that Metro and the area municipality certify that their respective municipal services, such as sewers, watermains, roads and schools are adequate.

Metropolitan Toronto's heavy reliance on procedural methods in relationship with its area municipalities, with DHO, DMA, York County and so on, results partly from the fact that Metro lacks certain powers normally exercised by local municipalities in Ontario. Such powers which are lacking to Metro are. [2/]

2/ There is some doubt whether or not Metro lacks powers of redevelopment. R.S.O. 1960, C.260, S.220, as amended, excludes from Metro's powers the sections of the Planning Act (sections 20 and 22) which deal with redevelvopment. However, section 217 of C.260, R.S.O. 1960, appears to give Metro powers of redevelopment.

Subdivision control;
Zoning (except adjacent to Metropolitan roads);
Separation consents.

On the other hand, the Metropolitan Toronto Planning Board, which would normally exercise these powers for Metro, may object to street and lane closings, a power not generally given to planning boards. Failing agreement between the Board and the area municipalities, the Ontario Municipal Board determines the matter.

Royal Commission on Metropolitan Toronto.

In his Report of the Royal Commission on Metropolitan Toronto, June, 1965, the Commissioner, H. Carl Goldenberg, O.B.E., Q.C, L.L.D., made the following recommendations concerning the co-ordination of transportation services within Metro:

> There should be a more formal co-ordination between Metro and TTC. To this end, the Chairman of Metropolitan Council should ex officio be a full member of the Toronto Transit Commission. There should also be a more formal co-ordination in overall transportation planning between the staffs of the Transit Commission, the Metro Planning Board and other agencies concerned, in order to ensure that proper consideration is given to all forms of transportation required to meet the present and prospective needs of Metro and the surrounding area.
>
> The design of access to metropolitan roads should require the approval of Metro authorities, and Metro should assume appropriate major local arterial roads.
>
> Since Metro and the Province are each responsible for essential components of the metropolitan expressway system, construction should be co-ordinated to meet the overall requirements of both transportation and local development.

To make transit operations possible on the roads on Metro's boundaries, where the dividing line is the middle of the road the Metropolitan Corporation should be authorized to assume such roads as metropolitan roads.

The traffic engineering services of the Metropolitan area should be unified under Metro.

Metro should establish an area-wide Parking Authority with responsibility for policy on the provision of parking facilities in the Metropolitan Area in conformity with metropolitan requirements and planning, and with power to operate such facilities directly or to enter into a contractural arrangement for their operation by the Toronto Parking Authority.

York County

In York County there is a Roads Advisory Committee which screens suggestions from county council members or others, for building or assuming roads as county roads. This Committee does not supervise the construction or maintenance of roads, but leaves this to the Toronto and York Roads Commission, which is the suburban road commission in York County. This arrangement is designed, among other things, to ensure that roads, which are designated as county and later as suburban roads, are so classified according to objective criteria resembling those drawn up by the Department of Highways.

Besides having formal agreements with the towns in York County with respect to sharing the cost of road construction and maintenance, the Toronto and York Roads Commission is often called in for consultation by municipalities in the County. The Commission also has a close informal working relationship with the engineers of Ontario and Peel Counties and with Metro Toronto. The Commission does road marking for Metro, Vaughan Township, Markham Township and other local municipalities in York County, as well as for Toronto Township in Peel County and for the

County of Peel. Contracts for road marking for Metro and other municipalities give summer employment for the crews who do winter maintenance on the road system of the Toronto and York Roads Commission. Sometimes, where the Commission is involved, its engineer will attend the Metro Transportation Technical Advisory Committee.

CHAPTER 6

FINANCING ROADS, THE ROLE OF THE PROVINCE

Historical Background

Prior to the establishment of municipal government by The District Councils Act of 1841 and the Baldwin Act of 1849, roads were the responsibility of the Government of Upper Canada. With the passage of the above legislation, jurisdiction passed largely to the townships, with counties being given the right to assume certain of the roads within a township. The Province, however, retained some responsibility:

> .....under the legislation of 1841 large sums were set aside for the construction of roads and bridges under the direction of the Board of Works, a provincial body. The principle of provincial participation in the cost of local works was thus recognized a century ago. 1/

Provincial participation was essential if roads were to be built to attract settlers into new territory without municipal organization. The structure of responsibility set up in those days, however, proved inadequate. While the Province concentrated on building trunk colonization roads, the municipalities were, in many instances, unable to build and maintain township and county roads because of a lack of local resources. In 1901, demands for road improvement resulted in The Act for the Improvement of Public Highways which provided for greater provincial participation by subsidizing county roads up to one-third the cost of approved works. The sum of $1 million was set aside annually for this purpose.

Until the depression years successive amendments were made to the Act which, in the main, increased provincial financial participation but also preserved the principles of local jurisdiction over roads and of differential subsidies. Much of this policy stemmed from

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1/ Report of the Royal Commission on Transportation, Province of Ontario 1938, p. 38.

the 1914 Royal Commission of Enquiry which also established the important principle that the automobile was "a form of wealth which is proper for taxation....." thereby recognizing "user charges" as an appropriate means for financing roads. 2/ When user charges were introduced in later years, they were, for a time, "earmarked" for road expenditure but the practice of equating user charges to road expenditure has never been followed in Ontario.

At the beginning of the post-war period road subsidies continued to provide for a differential structure of 50 percent for county and suburban roads and 40 percent for townships, while providing no assistance to urban municipalities. By 1947 all classes of municipalities, including counties, were subsidized at a uniform rate of 50 percent except that, for cities and separated towns, the subsidy could not exceed the equivalent of a two mill tax rate. As a result, the effective rate of subsidy was lower for these latter municipalities.

In 1949, the current general form of road subsidies was established with the removal of the 2 mill subsidy and the introduction of a grant equal to one-third of approved expenditure in cities and separated towns. Possibly the lower rate for such municipalities reflects their limited contribution to county road systems amounting to the equivalent of a one-half mill levy on property assessment. Metropolitan Toronto, however, although contributing to the maintenance and construction of suburban roads in the County of York in the same way as a city, receives road subsidies as if it were a county at the rate of 50 percent of approved expenditure.

2/ Public Roads and Highways, Royal Commission of Enquiry, 1914

Present Structure of Road Subsidies

At the present time all municipalities qualify for provincial grants toward the cost of constructing and maintaining roads, bridges, culverts and sidewalks on the following basis, subject to the specific measures, mentioned below, adopted by the Province in 1963: 3/

Ontario	Type of Work	%
Counties	Road construction and maintenance	50
	Bridges construction and maintenance	80
	Suburban roads	50
	Suburban bridges .....up to	80
Townships	Road construction and maintenance under normal conditions	50
	If the Minister of Highways considers economic conditions merit it	80
	Culvert and bridge construction up to	100
	If economic condition merits it...	100
	Cost of study of needs for development and improvement	75
	Salary of township road superintendent	50
	Sidewalks on King's Highways or County Roads.....	50
Non-separated Towns and Villages	Road construction and maintenance under normal conditions	50
	Bridges and culvert construction and maintenance, if Minister considers economically justified .... up to	80
Cities and Separated Towns	Bridge and culvert construction and maintenance	33 1/3
	Cost of study needs for development and improvement	75
Metropolitan Toronto	Road and bridge construction and maintenance	50

3/ A comparison of road subsidies in other Provinces of Canada is given in the Appendix.

In 1963, measures were adopted to equalize subsidy rates, provide increased aid for specific road programs for municipalities with limited financial resources and to increase subsidies on provincial extensions into urban areas.

The specific measures initiated by the Province were:

(1) An increase in subsidy rates for provincial highway extensions, i.e. connecting links, into urban municipalities. The rate for construction and maintenance for towns with population exceeding 2,500 was increased from 75% to 90%; for cities and separated towns the rate was increased from 50% to 75%.

(2) Where a road is recognized as an expressway or freeway within an urban area, a subsidy of 75% is available for construction, maintenance and property costs.

(3) Under a program of supplementary assistance for townships which are unable to finance an adequate road program the basic rate of 50% may be increased.

(4) Extension of "development" road assistance. The Province will meet the cost of capital projects in rural municipalities where such projects would cause a burden on the finances of the municipality.

Provincial Expenditure

Table 6-1 shows provincial expenditure on transportation for the fiscal years 1959-1960 to 1963-1964. While expenditure on transportation in Ontario has increased over the period in absolute terms, rising from $249 million to $280 million, the proportion of transportation expenditure to total provincial expenditure on all services has declined from 30.4 percent to 23.8 percent. Projections made by the Ontario Department of Economics and Development, especially for this study, indicate that this declining trend is likely to continue so that, by 1971-1972, provincial spending on transportation will probably be less than 20 percent of total provincial expenditure.

TABLE 6 - 1

Provincial Expenditure on Roads and Streets in Ontario, 1959 to 1964

	1959 1960	1960 1961	1961 1962	1962 1963	1963 1964
Provincial Highways ($ millions)	186.2	170.3	171.7	174.9	192.4
Municipal Subsidies ($ millions)	62.3	70.4	71.5	76.2	88.0
Total Road and Street Expenditure ($ millions)	248.5	240.7	243.2	251.1	280.4
Total Road and Street Expenditure as % of Provincial Expenditure on all services	30.4%	27.3%	24.9%	22.7%	23.8%

Source. Ontario Department of Economics and Development

During the period from 1959 to 1964, provincial expenditure on roads and streets was divided between spending on provincial highways and municipal subsidies as follows:

	1959 1960	1960 1961	1961 1962	1962 1963	1963 1964
Per cent spend on provincial highways	74.9	70.7	70.5	69.7	68.6
Per cent spent on municipal subsidies	25.1	29.2	29.5	30.3	31.4

Projections indicate that the rate of increase in the proportion of municipal subsidies to total road and street spending, shown above, will tend to slow down so that, by the fiscal year 1971-72, municipal subsidies will represent about 32.3 percent and expenditure on provincial highways about 67.7 percent.

In the Study Area, provincial expenditure on roads and streets, including subsidies, rose from $53 million, or 21.4 percent of total provincial expenditure on roads and streets in 1959-60 to $80 million or 28.5 percent in 1963-64. Of these amounts, 37.2 percent was spent in Metro in 1959-60 and 55.7 percent in 1963-64. Table 6-2 gives the details.

TABLE 6 - 2

Provincial Expenditure on Roads and Streets, Study Area, 1959 to 1964

	1959 1960	1960 1961	1961 1962	1962 1963	1963 1964
(1) Provincial Highways ($ millions)	27.3	18.9	24.2	27.0	38.4
(2) Municipal Subsidies ($ millions)	25.8	30.6	32.2	34.1	41.7
(3) Total Provincial Expenditure in the Study Area ($ millions)	53.1	49.5	56.4	61.1	80.1
(4) (3) as per cent of total Provincial Expenditure on Roads and Streets	21.4%	20.6%	23.2%	24.3%	28.5%
(5) Total Provincial Expenditure in Metro Area ($ millions)	19.8	23.6	26.2	29.1	44.6
(6) (5) as per cent of (3)	37.2%	47.7%	46.5%	48.0%	55.7%

Source. Ontario Department of Economics and Development

Provincial Revenue

It was mentioned earlier in this Chapter that it is not the announced policy of the Ontario Government to equate user charges to road expenditure. All provincial expenditures on roads, whether for provincial highways or for subsidies to municipalities, are paid out of the Consolidated Fund. On the other hand, road users make a very considerable contribution to provincial revenues through such road user charges as gasoline and diesel fuel taxes and motor vehicle licences and fees. Accordingly, it is of interest to observe the relationship between road user charges, total provincial revenue and total provincial expenditure on roads and streets.

Table 6-3 shows the amount of road user charges received by the Province of Ontario in the fiscal years 1959-60 to 1963-64 and expresses the amount for each year as a percentage of total provincial revenue and of provincial expenditure on roads and streets.

TABLE 6 - 3

Road User Charges, Ontario, 1959/60 to 1963/64

($000)

	1959/60	1960/61	1961/62	1962/3	1963/4
Revenue from User Charges:					
Gasoline Tax	152,158	157,656	165,193	173,135	183,650
As % of Total Provincial Revenue	21.5	21.2	19.9	17.3	17.0
Motor Vehicle Licences etc:	65,937	67,642	70,216	69,544	81,362
As % of Total Provincial Revenue	9.4	9.1	8.5	7.0	7.5
Motor Vehicle Diesel Fuel Tax	6,331	6,848	7,603	8,204	9,390
As % of Total Provincial Revenue	.9	1.0	1.0	.9	.9
Total of User Charges	224,426	232,146	243,012	250,883	274,402
User Charges as % of Total Provincial Revenue	31.8	31.3	29.4	25.2	25.4
User Charges as % of Total Provincial Expenditure on Roads and Streets a/	89.9	97.5	99.9	99.9	97.8

a/ Capital and current expenditure on provincial highways and municipal subsidies.

Source. Ontario Department of Economics and Development, Financial Research Branch.

The table shows that, over the five-year period, user charges have tended to represent a slowly decreasing proportion of total provincial revenue while maintaining a fairly steady proportion, close to 100%, of provincial capital and current expenditure on roads and streets, including municipal subsidies.

On the basis of the present level of user charge rates, the Ontario Department of Economics and Development estimates that revenue from all user charges will increase in absolute terms from $274 million in the fiscal year 1963-64 to about $445 million by 1971-72. Despite this large increase in the dollar value of user revenues the proportion of such revenues in relation to total provincial revenue is expected to continue the declining trend already shown in Table 6-3. By 1971-72, user charges are estimated to produce about 22 percent of total provincial revenue compared with 25.4 percent in 1963-64.

Similarly, user charge revenue projected to the fiscal year 1971-72 is expected to decline relatively to provincial road expenditures and to provide less than 86 percent of the money needed for estimated provincial expenditures on highways and municipal subsidies in that year compared with 97.8 percent in the fiscal year 1963-64.

(a) Gasoline and Diesel Fuel Tax. Table 6-3 shows that the gasoline tax is by far the largest revenue producer of the user charges, providing 17 percent of all provincial revenues in 1963-64. By contrast, the diesel fuel tax produced .9 per cent. The tax rates in Ontario prior to the 1966 budget, were 15¢ per gallon for gasoline and 20.5¢ per gallon for diesel fuel. These rates have been in effect since February 3, 1962, prior to which the gasoline tax was 13¢ per gallon and the diesel fuel tax was 18½¢. If the tax rates remain at the new rates of 16¢ per gallon for gasoline and 22¢ for diesel fuel, it is estimated that revenue from this source will decline from 18 percent of total provincial revenue in the fiscal year 1963-64 to about 16 percent by 1971-72.

The 1965 rates for other provinces are compared in Table 6-4 which shows that gasoline taxes range from 12¢ per gallon in Alberta to 19¢ in Nova Scotia and Newfoundland. Diesel fuel tax rates range from 14¢ per gallon in Alberta to 27¢ in Nova Scotia. The 1965 spread of 5.5¢ per gallon between the tax on gasoline and diesel fuel in Ontario was exceeded only in Nova Scotia and Quebec which imposed differentials of 8¢ per gallon, and 6 respectively. The 1966 increase in Ontario will make the rates in this Province the same as those in Quebec. In the neighboring States of New York and Michigan the gasoline tax is 6¢ per U.S. gallon.

TABLE 6 - 4

Gasoline and Diesel Fuel Tax Rates, 1965

Province	Gasoline ¢ per gal.	Diesel ¢ per gal.	Differential ¢ per gal.
Ontario [a/]	15	20.5	5.5
Newfoundland	19	19	-
Prince Edward Island	18	18	-
Nova Scotia	19	27	8
New Brunswick	18	23	5
Quebec	16	22	6
Manitoba	17	20	3
Saskatchewan	14	17	3
Alberta	12	14	2
British Columbia	13	15	2

a/ An increase of 1¢ per gallon on gasoline and 1½¢ on diesel fuel was announced in the 1966 budget speech.

Source. Ontario Department of Economics and Development, Financial Research Branch.

(b) Motor Vehicle Registration Fees. Since 1964, licence fees payable by passenger vehicles registered in Ontario have been based on cylinders. [4/] From 1960 to 1964 fees for this category of vehicles were based on horse power, while in earlier years, the basis of taxation alternated between horse power and cylinders or a combination of both. For example, in 1915, horse power was the basis; in 1931 cylinders were used, while in 1932 a combination of cylinders and horse power was employed. The rates in effect since 1964 are as follows:

4 Cylinder..... $15.00 p.a
6 Cylinder..... $20.00 p.a
8 Cylinder..... $25.00 p.a
Electric..... $15.00 p.a
Steam..... $15.00 p.a

The licence fees for trucks and tractors have been based on gross weight since 1915. This system remainder unchanged until 1925 when a distinction was made between trucks and tractors using pneumatic tires and solid tires. In 1956 there were major increases in fees. Since 1963, licence fees for commercial vehicles and trailers may be paid in quarterly instalments subject to a surcharge of 10%.

Licences for motor buses and trolley buses are payable according to a weight schedule similar to commercial vehicles. Minimum seating capacity required for registration under this category is 9 seats, and carrying capacity is based on 135 pounds per seat. The maximum fee at present is $396 for a bus weighing 21 tons. Fees may also be paid quarterly, subject to the 10% surcharge applicable to commercial vehicles.

A flat rate fee has always applied to motorcycles. The present rate of $10 was imposed in 1960. Prior to this the fee was $5.

Vehicles owned and operated by a municipality pay only nominal licence fees of $2. This concession is applicable to all commercial vehicles other than buses operated by a commission on behalf of a municipality.

(c) Motor Vehicle Registration Fees in Other Provinces.
Ontario is the only province to use cylinders as the basis for passenger vehicle registration fees. Newfoundland imposes a flat rate of $18 for all passenger cars; the three Maritime Provinces, Quebec and British Columbia use tare weight, while the three Prairie Provinces rate according to the wheele base. For commercial vehicles, all provinces' except Quebec follow the Ontario practice of charging according to gross weight, but additional charges may be made for

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4/ Passenger vehicles driven by electricity or steam pay a flat rate.

registration of public commercial vehicles based on a flat rate, on weight, the number of axles, seating capacity or on the number of seats or ton miles. In Quebec, fees for commercial vehicles are based on tare weight.

Due to the variation in methods of charging for motor vehicle registration, the most appropriate way to compare the charges in the different provinces is to examine their effect on specimen motor vehicles. Table 6-5 makes such a comparison.

TABLE 6 - 5

Selected Provincial Motor Vehicle Licence and Carrier Fees, 1964

	Passenger Car (a) Medium	Passenger Car (b) Compact	Truck (c) Medium	Truck Carrier Fee
	$	$	$	$
Ontario	25	20	179	65
Newfoundland	18	18	210	-
Prince Edward Island	24	18	182	20
Nova Scotia	25	19	208	30
New Brunswick	26	26	192	20
Quebec	29	22	151	22
Manitoba (d)	19	14	240	-
Saskatchewan	15	10	250	-
Alberta	15	10	160	-
British Columbia	22	18	175	48

(a) 8 cylinders, 4,000 lbs. tare weight, wheel base 120"

(b) 6 cylinders, 3,000 lbs. tare weight, wheel base 110"

(c) Gross weight 20,000 lbs., 2 axles

(d) Effective with 1965 registrations, fees will be increased an average of 25%.

Source. Provincial Finances, 1965, Canadian Tax Foundation.

(d) Registration Fees in New York and Michigan. In New York fees vary for passenger vehicles according to the weight and cylinders of the vehicle with the number of cylinders determining the minimum licence fees. For example, for a 6, 8 and 12 cylinder vehicle the fee cannot be less than $10 ($15 after 1965). The rate in effect is 50¢ per 100 lbs. up to 3,500 lbs. and 5¢ for each additional 100 lbs.

Commercial vehicles pay registration fees according to tare weight. For trucks, tractors and light delivery cars, the rate is $2.50 per 500 lbs. gross weight. In addition, carriers pay a "highway-use tax" which is based on the number of miles times the gross weight.

In Michigan, registration fees for passenger vehicles are also based upon weight at a rate of 35¢ per 100 lbs. Trucks and commercial passenger vehicles are taxed according to weight but there are a smaller number of weight classes and, in general, lower rates prevail than in New York.

(e) Drivers' Licences. In Ontario, operators' and chauffeurs' licences are issued for a three year period for a fee of $2 per year.

In other provinces the annual fees for operators are paid as follows for periods varying from one to five years: $1 in Nova Scotia, Saskatchewan, Alberta and British Columbia; $2 in Prince Edward Island and New Brunswick; $2.50 in Quebec and Manitoba and $3 in Newfoundland. Chauffeurs' licences, which are issued for terms varying from one to three years, are $2 per annum in New Brunswick, $2.50 in Quebec, $3 in Saskatchewan and British Columbia, $3.50 in Prince Edward Island, $3.75 in Manitoba and $5 in Nova Scotia. No chauffeur's licences are required in Newfoundland and Alberta, where the ordinary operator's licence suffices.

CHAPTER 7.

FINANCING MUNICIPAL ROADS AND TRANSIT

Expenditures incurred by a municipality for the provision of municipal services are referred to either as "capital expenditures" or "current expenditures".

Capital expenditures are those which result in the acquisition of an asset the benefit of which will be enjoyed over a number of years. Subject to the approval of the Ontario Municipal Board, capital expenditures may be financed by debenture issuances to cover either the full amount of proposed expenditure, as with school capital costs, or the residual expenditure after any provincial grants or revenues from other sources have been deducted, as with road construction.

Current expenditures may be described as the day to day costs of providing municipal services and the operation and maintenance of municipal assets, together with the annual instalments for the repayment of capital borrowed and the annual interest charged thereon. Current expenditure may also include certain expenditures of a capital nature which are financed out of tax levies rather than from proceeds of debenture issuances. Such capital expenditures out of current funds may be effected by:

a) special levies the proceeds of which are used to relieve debenturing, and / or by

b) the inclusion in the annual current budget of provision for specific capital works.

The decision on whether or not to finance certain expenditures of a capital nature out of current funds rather than from the proceeds of borrowing is a matter of local policy. In exercising its discretion, a local council is likely to be influenced by such factors as:

the relative size of the proposed capital expenditure in comparison with the total capital and current budgets; the nature and frequency of the capital expenditure; the expected life of the asset and the estimated ability of the taxable real property and business assessment to bear the additional weight of such levies. Other considerations of a financial nature would be: the availability of money for the purchase of debentures, current interest rates and the present debt load of the municipality.

Municipal Expenditure

Table 7 - 1 shows municipal gross current expenditure for general purposes in the Study Area and in the Metropolitan Toronto Area for the years 1959 to 1964. The figures include all debt charges for the annual repayment of principal borrowed and for the interest payable thereon. Capital expenditure out of current revenue has been excluded to avoid distortion in making comparison between the Metro area and the rest of the Study Area. During the period covered by the table, capital expenditure out of current revenue on roads, for example, amounted to $24.4 million in the Metro Area, compared with $10.5 million in the rest of the Area, while approximately, $38.5 million was raised by Metro for purposes of subway construction up to the end of 1963.

TABLE 7 - 1

Municipal Gross Current Expenditure for General Purpose, Study Area, 1959 to 1963 a/

Year	Study Area	Annual Change	Metro Toronto Area b/	Annual Change
	$000	%	$000	%
1959	225,933	-	163,735	-
1960	246,890	9.3	179.480	9.6
1961	272,622	10.4	191,560	6.7
1962	292,448	7.3	208.829	9.0
1963	315,634	7.9	225,412	7.9
Percentage Increase 1959 - 1963		39.7		37.7
Average Annual Increase 1959-1963	22,425	9.9	15,419	9.4

a/ Excluding education and provision for reserves and capital expenditures out of current revenue.

b/ Including area municipalities.

Source Ontario Department of Economics and Development.

The table shows that total current expenditure for general purposes in the Study Area has increased by 39.7 percent from 1959 to 1963 with a slightly smaller increase in the Metro Area of 37.7 percent. The average annual increases were $22.4 million or 9.9 percent for the whole area and $15.4 million or 9.4 percent for Metro.

Table 7- 2 shows that gross current spending on roads in the Metro Area in 1959 was $17.6 million or 61.9 percent of total current road expenditure of $28.3 million for the whole Study Area. By 1963, expenditure in the Metro Area, of $19.2 million, represented a slight decrease of 57.0 percent of Area-wide spending on roads. During the period 1959 to 1963, current road expenditure increased by 19 percent in the Study Area and by 9.5 percent in all of Metro, while average annual increases amounted to $1.344 million, or 4.8 percent, and $.416 million or 2.4 percent in the Study Area and the Metro Area respectively.

TABLE 7 - 2

Municipal Gross Current Expenditure on Roads, Study Area 1959 to 1963 a/

Year	Study Area	Annual Change	Metro Toronto Area b/	Annual Change
	$000	%	$000	%
1959	28,348	-	17,559	-
1960	31,376	10.7	20,056	14.2
1961	27,416	-12.7	16,942	-15.5
1962	32,146	17.3	19,168	13.1
1963	33,726	4.9	19,222	.3
Percentage Increase 1959 - 1963		19.0		9.5
Average Annual Increase 1959 - 1963	1,344	4.8	416	2.4

a/ Excluding capital expenditure out of current revenue.

b/ Inclusing area municipalities.

Source. Ontario Department of Economics and Development.

In relation to total municipal gross current expenditure, however, current expenditure on roads in the Study Area has declined from 12.6 percent in 1959 to 10.6 percent in 1963. During the same period, current road expenditure in the Metro Area declined from 10.7 percent to 8.5 percent of the latter's gross current expenditure for general purposes. For the five year period, current road expenditures, expressed as a percent of total current expenditures for the Study Area and for the Metro Area, were as follows:

	Study Area %	Metro Area %
1959	12.6	10.7
1960	12.7	11.2
1961	10.6	8.8
1962	10.9	9.1
1963	10.6	8.5

Estimates, made by the Ontario Department of Economics and Development, indicate that by 1971 municipal gross current expenditure for general purposes in the Study Area may reach about $490 million while gross current road expenditure will probably amount to about $42 million or 8.5 percent.

Table 7-3 shows municipal road expenditure, both capital and current, approved by the Ontario Department of Highways for the Study Area and Metro Area in the years 1959 and 1963. The latter's total road expenditure of $60.3 million, in 1963, represented nearly three quarters of total municipal road expenditure in the Study Area and was 81.5 percent higher than in 1959. In comparison, expenditure in other parts of the Study Area increased by 26.1 percent in urban areas, by 15 percent in counties, and by 3.9 percent in townships. The increase of 58.3 percent for the whole Study Area reflects the impact of spending by the Metropolitan Toronto Area.

TABLE 7 - 3

Municipal Road Expenditures, Capital and Current, Study Area, 1959 and 1963

Type of Road	1959	1963	Percent Increase
	$000	$000	%
County	6,031	6,937	15.0
Township	4,806	4,994	3.9
Urban	7,621	9,611	26.1
Metro Area	33,227	60,315	81.5
Total Study Area	51,685	81,857	58.3
Percent of Metro to Total	64.3%	73.7%	

Source. Records of the Ontario Department of Highways.

Municipal Revenue.

Revenue for local general purposes in Ontario comes from local taxation of real property, subsidies and grants, and such miscellaneous sources as licences, permits, fees, fines and debt charges recoverable from other local authorities. As deficit financing on current account is not permissible for municipalities, gross current revenue must closely relate to gross current expenditure. Accordingly, for the purpose of this study, it would be superfluous to closely examine gross current revenues apart from making the following observations onnthe relationship of taxation to gross current revenue.

Gross current revenue for general purposes in the Study Area, in 1959, amounted to $258.8 million, of which $146 million or 56.5 percent was derived from real property taxation. In 1963 real property taxation in the Area formed 62 percent of gross revenue. In the Metro Area, the picture was very similar. Real property taxes represented 59 percent of gross current revenue for general purposes in 1959, and 62 percent in 1963. These figures, prepared by the Ontario Department of Economics and Development, suggest that municipalities in the Study Area tended to rely a little more heavily on real property taxation in 1963 than in 1959 in order to meet general purpose expenditure. Projections of present trends to 1971 indicate that municipal gross current revenue is expected to reach between $490 and $500 million while revenue from taxation of real property may amount to about $335 million or 68 percent approximately.

Provincial Subsidies

It was shown in Chapter 6 that provincial subsidies provide varying percentages of the amount of approval local expenditures for maintenance and construction of roads.

Table 7-4 shows the total amount of provincial subsidies for road maintenance and construction work received by municipalities in the Study Area and in the Metro Area for the years 1959 and 1963. For both years the relationship of subsidies to total expenditure has remained at approximately 50 percent for both Areas. The balance of road maintenance costs is paid for out of current municipal revenues of which real property taxation is by far the most important, as already pointed out. The balance of the capital cost of road construction is borne mainly by the proceeds from debenture issues but also, to some extent, from current revenue.

TABLE 7 - 4

Provincial Subsidies, Study Area, 1959 and 1963

1959			1963		
Total Municipal Expenditure	Provincial Subsidies	Percent of Subsidies to Expenditure	Total Municipal Expenditure	Provincial Subsidies	Percent of Subsidies to Expenditure
$000	$000	%	$000	$000	%
Study Area 51,685	25,807	49.9	81,857	41,703	50.9
Metro Area 33,227	16,400	49.3	60,315	29,900	49.5

Source. Table 7 - 3 and Records of the Ontario Department of Highways.

Table 7 - 5 shows the amount of capital expenditure on roads in the Study Area that was financed out of current revenue in the years 1959 to 1963. Over the period, the Metro Area made capital expenditures out of current revenue amounting to $24.4 million, or 70 percent of total area capital spending out of current revenue.

TABLE 7 - 5

Municipal Capital Road Expenditure Out of Current Revenue, Study Area, 1959 to 1963

($ 000)

Area	1959	1960	1961	1962	1963	Total
Study Area	2,487.6	10,218.0	5,422.8	4,220.0	12,614.3	34,964.7
Metro Area	1,461.8	8,851.6	2,895.6	1,592.0	9,580.2	24,381.2

Source. Ontario Department of Economics & Development.

Municipal Capital Levies.

Some municipalities make special taxation levies to pay for part of the cost of capital works. Examples in the Study Area are the City of Hamilton and the Municipality of Metropolitan Toronto. The former introduced a capital levy of 1.5 mills in 1959 which it increased to 2.5 mills in 1960 and to 3.5 mills in 1965. The latter has levied the equivalent of 2 mills on the metropolitan assessment each year since 1957 for general purposes and the equivalent of 1 mill since 1959 for school purposes. By the end of 1964, Metro had raised $61.7 million by this means for general purposes of which $47.5 million was earmarked for subway construction.

Metropolitan Roads.

In the Metropolitan Toronto Area, roads designated as metropolitan roads are financed from metropolitan-wide levies collected by the area municipalities on behalf of the municipality of Metropolitan Toronto. Such levies cover the municipal share of the current cost of maintaining metropolitan roads and the annual amounts required to repay principal borrowed to defray the municipal share of the capital cost of road construction together with interest charges. The area municipalities are responsible for all expenditure on their own local roads but the Municipality of Metropolitan Toronto issues all debentures on their behalf. The Province pays road subsidies for metropolitan roads to Metro and those for local roads to the respective area municiaplities as outlined in Chapter 6.

Suburban Roads.

Suburban roads are financed by grants from the Ontario Department of Highways and by local levies. The municipal share is divided equally between the county and the urban area but is limited to the equivalent of a levy of one-half mill on the urban assessment. By agreement, however, the levy may be increased to two mills.

The Municipality of Metropolitan Toronto has power to make certain contributions above the statutory limit toward the administrative costs of the Toronto and York Roads Commission. Area municipalities, forming part of Metro, make no direct payment to the Commission. Metro's boundaries coincide with, but do not overlap, the boundaries of the Counties of Peel, in the west, and Ontario, in the east. Thus, no part of Metro is situated in either of these counties and, accordingly, Metro does not contribute to the support of roads in either county.

Taxable Resources

The sum of the assessed valuation of all taxable residential and non-residential real property and business assessment provides the tax base upon which municipal taxation is levied. At the present time in Ontario, there is little uniformity in the methods used to assess the value of real property. If a county employs an assessment commissioner, all municipal units forming a political part of that county will be assessed uniformly but cities and separated towns geographically within the county will normally use their own methods. If a county appoints a county assessor, as opposed to a county assessment commissioner, the county assessor has no power to make the county municipal units assess uniformly. In the Municipality of Metropolitan Toronto, all thirteen area municipalities are assessed uniformly under the central direction of the Metropolitan Toronto Assessment Commissioner.

In the Study Area there is a minimum of 14 separate assessment jurisdictions including all or part of nine counties, the Municipality of Metropolitan Toronto and four cities separated from their counties. In all such jurisdictions, the assessed value of real property is determined without reference to the methods or levels of value used by other jurisdictions. It is obvious, therefore, that if meaningful comparisons are to be made between the taxable resources of one municipality and another within the Study Area, all assessments must first be equalized.

The existence of wide disparities in equalized taxable resources among municipalities in the Study Area has been well documented in the Report of the Royal Commission on Metropolitan Toronto, 1965. The Report shows that equalized taxable assessment per capita for the 26 municipalities comprising the Metropolitan Toronto Planning Area ranged from $1,225 per capita in Pickering Village to $4,178 per capita in the Town of Leaside. That a wider spread exists in the larger region covered by the Study Area is certain. The Annual Report of Municipal Statistics, 1964, issued by the Department of Municipal Affairs shows, for example, that unequalized taxable assessments for the Village municipality of Caledon East and Erin are as low as $623 per capita and $851 per capita respectively. When equalized by application of the appropriate provincial factors these figures become $798 per capita for Caledon East and $878 per capita for Erin.

The Report of the Royal Commission on Metropolitan Toronto also points to the uneven distribution of non-residential assessment among municipalities. In the Metropolitan Toronto Planning Area for example, non-residential taxable assessment in 1964 made up more than 70 percent of New Toronto's total taxable assessment while, in Pickering Township the proportion was less than 12 percent.

Financing Public Transit.

The Hamilton Street Railway Company finances its operation entirely from the fare box. Over a period of ten years from 1952 to 1962 fare increases were introduced as shown in table 7-6. The rates set in 1962 were still in force at the end of 1964. The reduced fare for pensioners, shown in the table, was introduced in April 1962 and represented concession of approximately $180,000 by the end of 1964. In its 1964 Annual Report the Hamilton Transit Commission noted: " Your Commission now feel that the City should compensate the Hamilton Street Railway Company to this extent to delay the necessity of an increase in fares for the bus riders who are least able to afford this concession to the Pensioners,"

TABLE 7 - 6

Hamilton Street Railway Company, Fares, 1952 to 1964

	1952 to 1954		1962 to 1964	
	Ticket	Cash	Ticket	Cash
Adult	5 for 50¢	10¢	4 for 65¢	20¢ b)
Child	6 for 25¢	5¢	6 for 50¢	10¢
Student	6 for 25¢	5¢	6 for 50¢	15¢
Pensioner[a)]			5 for 50¢	20¢

a) Introduced in 1963 - no special cash fare for pensioners

b) A zone fare of 10¢ for adults only was introduced in 1957 for travel between two city zones.

Source. Hamilton Street Railway Company.

Table 7-7 shows a condensed statement of income and expenditure for the year 1964 for the Hamilton Street Railway Company. The gross revenue of $4,109,504 in 1964 represented an increase of $87,212 over 1963 due to carrying an increase volume of passengers of nearly 662,000. Gross profit for the year of $741,675 amounted to a decline of about $50,000 over 1963 due to increased wages, taxes, cost of materials and additional number of miles operated.

TABLE 7 - 7

HAMILTON STREET RAILWAY COMPANY

Statement of Profit and Loss for the Year Ended December 31, 1964

Revenue from Operations	$ 4,109,504
Direct Costs of providing service	3,367,829
Balance before necessary annual charges for Depreciation and debt servicing	741,675
Depreciation -- being amount chargeable this year to recover a proportion of original costs of buses, buildings and equipment	399,541
	343,134
Cash discounts earned	2,061
	344,195
Interest charges incurred (net)	54,124
Balance for the year retained to meet The City of Hamilton debenture charges, and to provide reserves for fare stabilization, improvement and extension	$ 290,071

Source: Annual Report, Hamilton Transit Commission, 1964.

The Municipality of Metropolitan Toronto Act, as amended, authorizes Metro to contribute to the capital and operating costs of the Toronto Transit Commission.[1/] Subject to this permissive financial assistance, the Commission is required to "fix such tolls and fares and establish such fare zones so that the revenue of the Commission shall be sufficient to make all transportation facilities under its control and management self-sustaining ....." [2/]

1/ R.S.O., 1960, C.260, as amended by S.O. 1961-62, C.88, S.10., and S.O. 1962-63, C89., S.8

2/ R.S.O. 1960, C.260, S.116

In accordance with above legislation, the Metropolitan Council, in 1963, approved payment of a subsidy to the Commission amounting to $2.5 million on account of 1963 debenture interest charges. Also, in 1963, Metro assumed responsibility for $34.2 million of the unmatured debenture debt of the Yonge Street Subway, which, at that time, amounted to $50 million, and about $195.5 million of the capital cost of the Bloor-Danforth- University Subway with east-west extensions, which is expected to cost a total of $227,723,000.

The Bloor-Danforth-University Subway will be financed as follows:

(i)	2 mill capital levy (1959 to 1968)	$ 87,015,000
(ii)	Federal-Provincial-Municipal Works Assistance Program"foregiveness" on loan of $29,482,000	7,370,500
(iii)	Subsidies from Province	24,820,000
(iv)	Issue of Debentures: Metro Share...$76,248,500 T.T.C. Share..$82,269,000	$158,517,500.
	Total Estimated Cost:	$277,723,000

The two mill capital levy, shown in (i) above, has already been mentioned but the Federal-Provincial-Municipal Works Assistance Program Loan and the provincial subsidy shown in (ii) and (iii) above requires further explanation.

In 1963, the Federal Government introduced the Municipal Development and Loan Act under which approved municipal works qualified for loans, through the Ontario Government's Municipal Works Assistance Program, equivalent to two-thirds of approved expenditures. The rate of interest is 5 3/8percent and, if the works are completed by April 1, 1966, a maximum of 25 percent of the loan will be "forgiven". Up to March, 1964, Metro had received permission to borrow $29,482,000. for subway construction purposes providing for "forgiveness" of $7,370,500.

The provincial subsidy of $24,820,000 is provided under Part X11-A of The Highway Improvement Act, enacted in 1963. Under this legislation, the Minister of Highways is authorized to pay an amount not exceeding one-third of approved expenditure on subway right-of-way construction carried out on or after April 1,1964, by the Municipality of Metropolitan Toronto on that part of the rapid transit system of the Toronto Transit Commission known as the Bloor-Danforth Subway.3/

It should also be noted that in 1961 the Province undertook to purchase $60 million of Metro debentures issued for the subway project, thereby relieving the necessity to make public offerings for this amount. No grants, or special assistance, are provided by the Province for other forms of public transportation in Metro or elsewhere in the Study Area.

Present Financial Position of the T.T.C.

The T.T.C's adult zone fare was increased on January 1, 1964, from 7 tickets for $1.00 to 6 tickets for $1.00. The combination ticket, covering zones 1 & 2, was increased from 4 tickets for $1.10 to 4 tickets for $1.25, while the scholars' rate rose from 10 to 9 tickets for $1.00. Cash fares continued at 20¢ for adults and 10¢ for children. Tickets for children, at 4 for 25¢, also remained unchanged.

A condensed statement of income and expenditure for the Toronto Transit Commission covering 1961 to 1964, given in Table 7 - 8, shows surpluses in 1961 and 1964, and deficits in 1962 and 1963. The large increase in passenger revenue for 1964, which coincided with fare increases, is of particular interest.

3/ Subway right-of-way construction eligible for grant purposes means: clearing the land; taking up or changing the location of public utilities; construction of tunnels, bridges or culverts,(except sanitary sewers), incidential to subway construction; constructing the base and under drainage; such other work as the Minister may approve.

TABLE 7 - 8

TORONTO TRANSIT COMMISSION

CONDENSED STATEMENT OF INCOME AND EXPENDITURE

(as at December 31, for each year shown)

	1964	1963	1962	1961
Revenue- Passenger services	$46,248,806	$39,850,604	$39,246,169	$39,340,172
Dividend from Gray Coach Lines, Limited. a/	153,000	115,000	70,000	75,000
Interest	87,657	96,725	101,860	108,931
Sundry	1,462,488	1,296,180	1,233,114	1,404,438
Subsidy received from the Municipality of Metro Toronto to be applied to debenture interest.	.....	2,500,000	.....	.....
Total	$47,951,951	$43,858,509	$40,651,143	$40,928,541
Operating Expenses.b/	38,090,271	36,432,850	34,816,851	34,084,514
Balance	$ 9,861,680	$ 7,425,659	$ 5,834,292	$ 6,844,027
Provision for:				
Depreciation	$ 4,278,734	$ 4,738,168	$ 4,030,411	$ 3,837,808
Interest and Amortization of Discount on Debentures	1,281,394	2,728,883	2,190,318	2,168,241
Public Liability c/	401,693	442,775	436,994	462,556
	$ 5,961,821	$ 7,909,826	$ 6,657,723	$ 6,468,605
Surplus (or Deficit) for year	$ 3,899,859	($ 484,167)	($ 823,431)	$ 375,422

footnote overleaf.

a/ Gray Coach Lines, Limited, a wholly-owned subsidiary, operates outside the Toronto Metropolitan Area. The revenues and expenditures with respect to this subsidiary are not included in the statements presented herein, although dividends received by the Commission from it are shown above. Net income of this subsidiary before such dividends amounted to $140,933, $230,713, $306,046 and $312,698 in the years 1961 to 1964 respectively.

b/ Includes depreciation on Island Ferries in 1961 which were assumed by the Metropolitan Corporation on January 1, 1962.

c/ For bodily injuries including death and damages to property of others.

Source.
Annual Report of the Commissioner of Finance, 1964, The Municipality of Metropolitan Toronto.

APPENDIX A

ROAD EXPENDITURES WITHIN MTARTS AREA

	1959	1963
County Roads	$6,030,578,18	$6,936,942.23
Township Roads	$4,805,631,50	$4,994,034.33
Urban Roads	$7,620,692.96	$9,610,794.91

King's Highways - See Appendix C

		Township Roads.	Urban Roads (Leaside, Mimico,etc)	Metro Roads
Metro	1959	$10,289,650,11	$4,703,577.91	$18,233.803.09
Total.	$33,227,031.11			
Toronto	1963	$13,184,441.09	$5,623,261.13	$41,507,651.33
Total.	$60,315,353.55			

Source. D.H.O. Records.

APPENDIX B

County Roads

- Total Mileages and Mileages within Study Area
- Expenditures

County	Total	Study Area	% of Total in Study Area	
Northumberland and Durham	314.45 mi. Expenditures (1963):	29 mi. $1,049,373,10 x 9.22=	9.22%	$ 96,752.20
Halton	entirely within Study Area	Total =	100%	$ 743,456.11
Ontario	263.01 Expenditures:	161. $1,286,945.11 x 61.21% =	61.21%	$ 787,739.10
Peel	entirely within Area	Total =	100%	$2,159.977.41
Simcoe	290 mi. Expenditures:	56.5 $1.226,489.04 x 19.48% =	19.48%	$ 238,920.06
Wellington	358 mi. Expenditures:	75 mi. $1,030,301.07 x 20.9% =	20.9%	$ 215,332.92
Wentworth	169.54 Expenditures:	83.5 $ 640,914.57 x 49.3% =	49.3%	$ 315,970.88
York	entirely within Area	Total =	100%	$6,936,942.23

Source. D.H.O. Records.

APPENDIX C

ESTIMATED AND ACTUAL DEPARTMENT OF HIGHWAYS EXPENDITURE *

METROPOLITAN TORONTO AND REGION TRANSPORTATION STUDY AREA AND METROPOLITAN TORONTO

FOR FIVE YEARS ENDED MARCH 31, 1964

	1959/60		1960/61		1961/62		1962/63		1963/64		TOTAL
	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital	
	$	$	$	$	$	$	$	$	$	$	$
King's and Secondary Hwys.	5,865,650	19,988,979	4,670,425	12,394,833	4,412,588	18,638,335	4,488,622	20,894,627	4,376,791	29,771,957	125,502,857
Connecting Links	71,037	522,195	21,912	618,600	48,826	310,936	27,396	378,483	32,141	801,495	2,833,021
Development Roads	-	241,342	-	608,455	-	728,165	-	917,046	-	1,424,377	3,919,385
Special Agreements	-	538,447	-	540,379	-	1,495	31	345,208	71	2,011,955	3,437,586
Sub Total	5,936,687	21,290,963	4,692,337	14,162,317	4,461,414	19,678,931	4,516,049	22,535,364	4,409.003	34,009,784	135,692,849
Total Maintenance and Construction		27,227,650		18,854,654		24,140,345		27,051,413		38,418,787	135,692,849
Municipal Subsidies(including ordinary)		25,806,521		30,608,866		32,164,556		34,087,391		41,703,332	164,370,666
Total Expenditure		53,034,171		49,463,520		56,304,901		61,138,804		80,122,119	300,063,515

APPENDIX D

	1959			1963		
	County	Township	Urban	County	Township	Urban
Northumberland & Durban County (p)	870,673,81			1,049,373.10		
Darlington Twp		195,000.00			250,939.22	
Bowmanville			79,500.00	96,752.20		75,314.89
Study Area	80,101.99	$195,000.00	$79,500.00		$250,939.22	$75,314.89
Halton County (all)	700,956.75			743,456.11		
Nassagaweya Twp		37,031.58			58,795.82	
Esquesing Twp.		97.003.68			103,694.95	
Burlington			632.948.54			977,904.16
Oakville			135,973.11			829,729.84
Acton			66,859.03			20,446.33
Georgetown			118,933.58			92,356.58
Milton			66,441.63			66,013.89
Study Area	$700,956.75	$134,935.26	$1,021,155.89	$743,456.11	$162,590.77	$1,986.450.80
Ontario Cty.(pt)	821,236.76			1,286.945.11		
Scott Twp.		37,959.65			55,427.32	
Uxbridge Twp		70,980.00			65,988.02	
Reach Twp		50,000.00			67,781.97	
Pickering Twp		242,040.86			285,756.65	
Whitby Twp.		103,035.33			125,583.16	
E. Whitby Twp		71,974.24			98,819.30	
Uxbridge			17,500.00			20,826.02
Pickering			13,300.00			16,303.16
Ajax			36,953.17			60,581.64
Whitby			98,391.81			113,050.09
Oshawa			1,188,746.33			1,240,557.07
Port Perry			16,300.00			18,967.50
Study Area	$502,679.02	$575,990.08	$1,371,191.31	$787,739.10	$699,356.42	$1,470,285.48
Peel County (all)	2,055.011.23			2,159.977.41		
Caledon Twp		87,046.56			76,183.22	
Albion Twp		103,940.20			102,437.59	
Toronto Gore Twp		30,280.70			27,609.41	
Toronto Twp		998,488.83			181 807.89	
Chinguacousy		151,312.29			315,442.79	

	1959			1963		
	County	Township	Urban	County	Township	Urban
Dufferin County						
Orangeville.			25,544.97			40,300.00
Caledon E.			2,898.99			5,687.80
Brampton			130,697.49			196,801.54
Bolton			14,710.17			65,629.86
Streetsville			27,694.91			39,847.65
Pt.Credit			44,977.13			59,248.36
Study Area	$2,055,011.28	$1,371,068.58	$246,523.66 (incl.Orangeville)	$2,159,977.41	$703,480.82	$407,515.21
Simcoe County(pt)	767,665.13			1,226,489.04		
Innisfill Twp		155,079.09			214,737.42	
W.Gwillimbury		89,991.32			181,509.11	
Tecumseh		95,400.07			103,891.46	
Adjala		45,391.37			47,542.97	
Barrie			354,970.00			603,070.08
Cookstown			not yet incorporated			4,315.75
Bradford			14,987.18			35,417.62
Beeton			5,874.12			13,670.13
Alliston			11,473.66			107,423.33
Tottenham			628.33			13,096.65
Study Area	$149,541.17	$385,861.85	$387,933.29	$238,920.06	$547,680.96	$776,993.56
Wellington Cty.(pt)	913,255.01			1,030,301.07		
Erin Twp		64,529.94			79,423.54	
Eramosa Twp.		44,000.00			61,178.26	
Guelph Twp.		71,000.00			120,000.00	
Erin			11,366.25			1,965.97
Guelph			530,624.88			758,797.96
Study Area	$190,870.30	$179,529.94	$541,991.13	$215,332.92	$260,601.80	$760,763.93
Wentworth Cty (pt)	1,118,450.90			640,914.57		
Saltfleet		245,733.19			202,196.09	
		18,219.67*			19,689.64*	
Binbrook(40%)		T-45,549.18			T-49,224.10	
		30,412.38*			44,547.58*	
Glanford (50%)		T-60,824.76			T-89,095.16	

	1959			1963		
	County	Township	Urban	County	Township	Urban
Aurora (50%)		79,736.81*			128,465.05*	
		T159,473.62			T-256,930.11	
		5,836.10*			13,030.40*	
Beverley (13%)		T-44,893.07			T-100,233.85	
		12,006.97*			16,868.96*	
W.Flamborough (20%)		T-60,034.86			T- 84,344.82	
E.Flamborough (all)		55,197.17			82,430.12	
C. of Hamilton			3,372,445.51			3,189,883.79
Dundas			128,000.00			305,793.74
Waterdown			8,635.34			10,346.05
Stoney Creek			40,000.00			62,079.15
Barton Twp		45,365.78 (annexed to Hamilton, Jan. 1/60)				
	$551,396.29	$492,508.07	$3,549,080.85	$315,970.88	$507,227.84	$3,568,102.73
York County (all	1,800,021.38			2,378,798.55		
Markham Twp.		289,774.04			559,532.69	
Vaughan Twp.		355,899.98			443,173.53	
King Twp.		299,051.20			237,626.45	
Whitchurch Twp		188,357.59			218,909.30	
N. Gwillimbury		125,400.00			135,807.96	
E. Gwillimbury		118,755.36			215,279.33	
Georgina Twp.		94,399.55			51,827.24	
Towns - Markham			25,184.65			105,733.07
Richmond Hill			252,267.76			184,995.32
Stouffville			25,355.11			25,209.61
Aurora			29,000.00			69,343.17
Newmarket			59,478.84			135,660.36
Woodbridge			20,006.16			31,624.00
Sutton			12,024.31			12,802.28
Study Area	$1,800,021.38	$1,471,637.72	$423,316.83	$2,378,798.55	$1,862,156.50	$565,368.31
TOTALS - OUTSIDE METRO	$6,030,578.18	$4,805,631.50	$7,620,692.96	$6,936,942.23	$4,994,034.33	$9,610,794.91

	1959			1963		
	County	Township	Urban	County	Township	Urban
METRO	18,233,803.09[t]			41,507,651.33		
York Twp		513,093.33			679,048.68	
N. York Twp.		3,304,585.34			4,379,026.63	
E. York Twp.		184,901.10			252,629.76	
Scarb.Twp		2,904,824.95			4,680,424.53	
Etob.Twp		3,382,245.39			3,193,311.49	
Toronto City			3,992,760.08			4,832,856.82
Mimico			77,299.33			163,615.12
Leaside			262,072.61			50,243.70
New Toronto			109,814.48			288,934.99
Swansea			87,816.35			85,582.64
Forest Hill			80,452.51			91,149.27
Weston			73,470.42			86,124.15
Long Branch			19,892.13			24,754.44
METRO TOTALS	$18,233,803.09	$10,289,650.11	$4,703,577.91	$41,507,651.33	$13,184,441.09	$5,623,261.13
GRAND TOTAL		$15,095,281.61	$12,324,270.87		$18,178.475.42	$15,234,056.04

* Township expenditures within Study area

T Total township expenditures

t expenditures on Metro roads, such as Bloor, Yonge Streets. As these are not county roads, this figure not included in Grand Total for county expenditures.

Source. D.H.O. Records.

APPENDIX E

Road Subsidies in Other Provinces

For purposes of comparison it is useful, at this point, to examine the form that road subsidies take in other provinces of Canada. 1/

(a) Newfoundland

A financial grant is paid annually to towns, local improvement districts, community councils, rural district councils, and local road boards but not to cities. The Department of Highways will enter into agreement with local authorities for improvement and paving of municipal streets, but there is no standard formula for the sharing costs.

The Department will hire heavy road building equipment to any municipality at rates up to 40% below the going commercial rates.

Special grants will be paid where the cost of local public works is disproportionately high in relation to the resources of local road boards.

In the case of major project requiring certain technical skills or use of special equipment, the province will give special assistance by providing personnel and equipment. The Province carried out and underwrites the cost of snow removal on local roads.

(b) Prince Edward Island

The Province will provide the following aids:

Cities and towns: Cost of laying and maintaining pavement on essential roads on the basis of 60% of cost up to a maximum of $7,000 plus $2 per capita.

Incorporated villages: The province will pay 50% of the approved cost of construction of sidewalks up to a maximum yearly grant of $1.50 per capita.

(c) Nova Scotia

Cities and towns: 50% of the cost of constructing and maintaining highways leading into or through cities and towns; up to 100% for entirely "through" highways lying within city or town limits; a special grant of $200 per mile for local streets, but municipalities are not obliged to spend the grant on streets.

1/ The synopsis that follows is based primarily on Provincial Finances, 1965, Canadian Tax Foundation.

County jurisdictions; Share 50% of cost of sidewalks and 45% for paving of subdivision suburban roads.

(d) New Brunswick

Cities, towns and villages: Under the Highway Act up to 2/3 of the total cost to improve positions of trunk highways lying within its boundaries(in practice this has been 50%); snow control grants of $1 per capita;

Local improvement districts: 50% of cost of construction of sidewalks.

(e) Quebec

Cities, towns and villages: In summer the Province maintains, improves and reconstructs where necessary; in winter, a maintenance subsidy is provided ranging from $250 to $325 per mile

(f) Manitoba

Unorganized territory: 100% of cost of main market roads and eligible school division bus routes; 50% of cost of side roads.

Rural municipalities: Full cost of construction and maintenance on approximately 4,000 miles of heavily travelled main market roads that have been designated as provincial roads.

Metro Winnipeg: 50% of cost of construction of designated arterial roads and streets; $1,000 per lane-mile maintenance grant for arterial streets.

Towns and villages with population of 5,000 and under: 100% of maintenance and construction on provincial roads or trunk highways through towns and villages; 50% of construction of designated arterial roads.

Cities and towns with population over 5000 (Winnipeg excluded)
Either the 50% cost of construction of designated arterial roads and streets or the 100% maintenance and construction on provincial trunk roads through towns and villages may apply.

(g) Saskatchewan

60% of cost of construction of a 12,000 mile main municipal system (the grid system); shared cost for individual rural municipalities ranges from 40% to 65%.

20% to 80% of the cost of bridges under 100 feet in length in rural municipalities.

Saskatchewan cont/

40% to 65% of the cost of gravelling the "grid road system".

The Province looks after:

(a) highway extensions and construction within the incorporated area but outside the built-up area of towns and cities;

(b) bridges over 100 feet in legnth in organized rural municipalities;

(c) roads in unorganized territories.

In urban municipalities of less than 5,000 the main street is eligible for financial assistance whether or not designated as an arterial street. An alternate main connection wholly within the incorporated limits is eligible for cost sharing if the main business street does not connect.

In cities of less than 5,000 with a provincial highway, 75% of maintenance and construction of roads and bridges or extensions of provincial highway within municipal boundaries but outside the main built-up area. For cities over 5,000 the subsidy is 50%.

In municipalities of 5,000 or less 100% of bridge construction and for municipalities over 5,000 to 15,000 a minimum of 75%. For municipalities over 15,000 population the subsidy is 50%.

(h) Alberta

Building and maintenance of main highways within town and village boundaries is undertaken by the Province, but where a main highway passes through a city, the Province makes a grant of from 50% to 100% of construction costs.

(i) British Columbia

The Province pays cost of construction and maintenance of provincial arterial highways in municipalities and unorganized areas.

For approved secondary highways in municipalities, subsidy for construction is 50% and maintenance 40%.

For secondary highways through municipalities of less than 1,000 up to 75% of cost.

ONTARIO

PROVINCE OF OPPORTUNITY